



Spain's seafood locker



Out to lunch with Alan Dershowitz, celebrity lawver:



Germany's Volker Rühe Winning battles but not the honours

defends

release of

corruption

The Italian authorities yesterday began releasing bribery and corruption suspects from prison, as a controversial new decree limit-

ing magistrates' use of preven

Mr Silvio Berlusconi, prime

minister, angrily defended the two-day-old decree after attacks

by opposition politicians, magis-

rates and the press. He said in

Rome that the decree would "pre-

vent the country turning into a

Italy's hest-known investiga-ting magistrates – the Milan-based mani pulite ("clean hands")

team - said on Thursday they

would resign from the anti-cor-

ruption unit in protest. Magis-

trates in Genoa yesterday also refused to handle cases affected

by the decree, which bans the use

f preventive detention in hribery

It is estimated that the decree could affect up to 2,000 people in preventive detention. Most of

them, including a dozen top Ital-

ian executives for whom arrest

warrants were issued on Thurs-

day, will be put under house

Mr Bettino Craxi, former

socialist prime minister under

suspicion in a number of corrup-

and corruption investigations.

suspects

By Andrew Hill in Milan

tive detention took effect.

police state".

arrest instead.

Europe's Business Newspaper

### set date for US summit meeting

The Mideast peace process was given fresh impetus by the announcement that Israeli prime minister Yitzhak Rabin is to meet King Hussein of Jordan in Washington on July 25, in the first public summit between the Israeli and Jordanian leaders. Israel also made overtures to Syria on the eve of a peace shuttle by US secretary of state Warren

US West appeared poised to become the first of the six US regional telephone companies to enter the US cable television business, after agree-ing to buy two Atlanta-based cable systems for \$1.2bn in cash and shares. Page 11

Trade gap shock for Japan: Japan's trade gap widened by 14.8 per cent to \$11.35bn in the year to June, a serious blow to Tokyo's belief that the surplus had peaked. Page 4

aks football transfer record



Norwich City striker Chris Sutton, 21, (left) ended weeks of speculation when he finally signed for Blackburn Rovers for £5m (\$7.6m). a British football transfer record. The previous record fee of £4m was paid last year by Rangers to Dundee United for Duncan Ferguson. Confessions of a temporary sports writer, Wkd I; World Cup, Wkd XII

Washington hits at Haitl: A White House national security official accused Haiti's military leaders of ruling through a reign of terror. No sign of comfort in the south, Page 9

Texas Instruments, US semiconductor and electronics manufacturer, reported record secondquarter results, driven by strong sales of semiconductor products which pushed net revenues up to \$2.5bn. Page 11

Blair vow on political shake-up: UK Labour leadership favourite Tony Blair committed the party to parliamentary reform, devolution and buman rights legislation. Page 24; Straight talker.

C&G hopeful: Cheltenham & Gloucester building society said it was confident it could devise a scheme to enable the takeover bid by Lloyds Bank to go ahead without recourse to an appeal-against last month's High Court judgment, Page 24 and Lex; Complex calculations, Page 7

rters: Geneva is expected to be chosen in preference to Bonn, as the site of the World Trade Organisation headquarters. A decision is due next week. Page 2

Ulster ambush: Three police officers, a prisoner and a passing motorist were injured in an ambush an unmarked police car near Dungannon, Northern

NHS reform praised: The UK government's reforms of the National Health Service have increased its efficiency and are producing "increasingly encouraging results", the Organisation for Economic Co-operation and Development

\$1bn Thal deal: A joint venture of Germany's Siemens group and Italian-Thai Development, the leading Thai construction company, was awarded a contract worth \$1.1bn to build what is expected to be Bangkok's first urban rail system

N Korea seen as threat: Japan's Defence Agency said North Korea's weapons programme was a "serious destabilising factor" in east Asian

Aide in 'sacking' row: The UK government was embroiled in a dispute with a junior ministerial aide Tim Devlin about whether be had resigned or been sacked "for general ineffectiveness".

Plea to law lords: Former Nissan UK managing director Michael Hunt was given leave to appeal to the UK House of Lords against his conviction of involvement in a £55m (\$83.6m) corporation tax fraud. Hunt was jailed for eight years in July

Jupiter's big bang: A series of explosions each bigger than the force of the world's entire nuclear arsenal is expected tonight as giant frag-ments of a comet crash into Jupiter.

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# World Cup writer Plus Italy v Brazil preview





# FINANCIAL TIMES

WEEKEND JULY 16/JULY 17 1994

# Rabin and Hussein | Luxembourg PM approved by consensus despite misgivings of MEPs | Italy's PM Santer is chosen to succeed Delors

as Brussels chief Christopher. Page 3

> European Union leaders last night settled on Mr Jacques Santer, the prime minister of Luxembourg, as a compromise choice to succeed Mr Jacques Delors as president of the European Com-

By Lionel Barber and Emma

Mr Santer, a 57-year-old Christian Democrat, was approved by consensus at a special summit in Brussels, despite misgivings in the European Parliament and lin-gering resentment about the UK veto last month of Mr Jean-Luc Dehaene, the Belgian premier and one-time favourite.

At a news conference, Mr Santer stressed that be had not sought the job of president, but felt obliged to come forward as a compromise candidate. "Just because someone comes from a small country, that does not mean they cannot become a big president," he said.

Chancellor Helmnt Kohl of Ger-many, a friend of Mr Santer's for 20 years, said his appointment would not halt the process of European integration laid down by the Maastricht treaty. "We see no majority in the EU for stop-ping or going back."

ister, described Mr Santer as a wise choice who was committed to free trade, free markets, decentralisation and enlargement of the Union. "He is well able to reconcile the conflicting views around the European table."

The appointment of the low-profile Luxembourger who has served as prime minister since 1984 confirms the recent

Brussels' beguiling new bürgermeister ....

trend toward devolving power from the Commission in Brussels to the member states - a process underlined by Mr Kohi who said he did not see a centralised European state emerging in future.

During his five-year term, Mr Santer will nevertheless have an important role to play in prepar-ing for the 1996 Maastricht review conference, consolidating the enlargement of the Union to the Nordic and Alpine states and laying the groundwork for European monetary union and expansion of membership to the new democracies of Central Europe. Mr Santer is the second Luxem-

former prime minister of the Grand Duchy, preceded Mr Delors between 1980-84. A finance expert, Mr Santer played a useful role in preparing the 1986 Euro-pean Single Act and the 1991 Maastricht treaty.

His elevation marks the end of a dramatic contest to succeed Mr Delors, who started as a relatively little known international politician, but who became the driving force behind the Single European Act, the European Eco-nomic Area and the project of the Maastricht treaty to create a single European currency hy the end of the century.

Mr Santer emerged as a compromise after better-known candidates were either blocked or declined to come forward.

Germany, which holds the rotating presidency of the EU, called yesterday's special summit to break the deadlock and avoid a crisis with the European Parlia ment, which under the Maastricht treaty has the power to block the appointment. Mr Kohl courted leading MEPs

before the summit and at the news conference he stressed on several occasions the importance of the parliament as an institu-



Mr Jacques Santer arriving for yesterday's EU summit, where he was elected the next president of the European Commission

tion alongside the member states and Commission. As a result, MEPs seem unlikely to exercise a veto at their inaugural session in Strasbourg next week, but they may complain about the selection

Mr Debaene raised this issue

before the summit, criticising the UK veto as bad for Europe and warning that the EU could not the functioning of the Union."

operate on the basis of vetoes. "This will certainly leave marks...it is not about bilateral or personal relations, but about

tion investigations, will also face house arrest, rather than impris-onment, if he returns from self-imposed exile in Tunisia. One of the first suspects FT-SE 100 ----

released yesterday was the wife of Mr Duilio Poggiolini, a former health-ministry official-who allegedly received bribes from six drug companies in exchange for enced "eight barbaric months" in a Neapolitan prison. The decree needs parliamen-

tary support to survive and faces a rough ride from the opposition and from Mr Berlusconi's coalition partners, the regionalist Northern League. The justice and interior ministers both suggested yesterday that it could be amended.

"We don't issue decrees that are valid for eternity and cannot be discussed," said Mr Alfredo

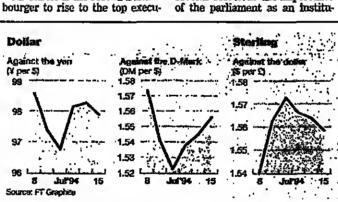
Continued on Page 24

### Firmer US bonds help lift dollar

By Philip Gawith

Firmer US bond markets yesterday helped the dollar continue its cantious recovery on foreign exchanges. Earlier in the week, the US cur-

rency had fallen to fresh lows against both the yen and the D-Mark after last weekend's decision by the Group of Seven leading industrial nations not to announce any programme of dol-



The improved inflationary outlook in the US supported the bond market and spread to the UK, where the Bank of England yesterday announced a longdated conventional gilt auction after a period of shorter term,

non-conventional funding Share prices in the UK were also firmer, with the FT-SE 100 index closing 24.4 points higher at 3,074.8, bringing the total gain for the week to 1124 points.

nig firmer in London against the D-Mark at DM1.5558 from DM1.5457 on Thursday. It closed slightly lower against the yen at Y97.9050 from Y98.28.

Continued on Page 24

Editorial Comment ..... Page 8 Currencies, Page 13; London stocks, Page 15; World stocks Page 21 and Weekend II

Berlusconi's run of luck, Page 2

### Revenue to publish inspectors' secret tax assessment manuals

The Inland Revenue is to make public the secret tax manuals used by its inspectors as the basis for their assessments, as part of the drive for open govern-

The manuals, which provide detailed guidance to inspectors on how to handle all personal and corporate tax matters, have always been jealously guarded internal documents.

Their appearance could make a substantial difference to the way taxpayers and their professional advisers plan their tax affairs. The Revenue confirmed yester day that it would publish the manuals, but said the details

were still being finalised. A timetable for publication had

still to be decided, the Revenue said. It is believed that the manuals will be made public over the next two years as the existing

editions are revised.

The move comes in the wake of the code of practice on government information which became effective in April this year. It requires departments to publish information, give reasons for administrative decisions and respond to requests for informa-

Tax professionals yesterday welcomed the decision. Some, however, expressed scepticism over whether the most sensitive information on the interpretation of tax and tactical advice to inspectors would be disclosed. The Revenue said it would

prejudicial to the administration or collection of tax, in line with special exemptions to the code. Information likely to be withheld includes legal opinions commissioned internally, advice provided by officials to ministers and details of tax avoidance and

Previously, some out-of-data copies of the inspectors' manuals have found their way into the offices of the larger accountancy firms, generally when they have hired ex-Revenue officials.

evasion schemes which come to

its notice.

Mr Roger White, head of tax at accountants KPMG Peat Marwick, said: "This is undoubtedly a major step in the right direc tion. I welcome the idea of mak-ing the manuals public."

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Man in the News

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# German state | Health services abuse funds, regions fail to pay taxes minority rule Russia pinpoints revenue loss coalition deal

By Michael Lindemann In Bonn

The Social Democratic party (SPD) yesterday agreed a minority coalition with the left-wing Green party in the eastern German state of Saxony-Anhalt, a risky venture whose survival depends on the support of the Party of Democratic Socialism, the successor to the East German Communist party.

The coalition has been seized on hy the SPD as a chance to prove that it is serious about government. It also provides further evidence that the SPD may agree to work with the Green party to secure a major-ity after the October federal parliamentary elections. Mr Rudolf Scharping, the SPD leader, has denied all such sug-gestions, hut leading members of his party bave argued that a pre-election commitment to a so-called red-green coalition will secure a larger majority

for the two parties.

Meanwhile the Christian Democratic Union (CDU) and its more right-wing Bavarian sister party, the Christian Social Union (CSU), have been falling over themselves to present the arrangement with the former communists in Saxony-

Anhalt as ultimate treachery.

The SPD have fired back, pointing out that the CDU has agreed countless coalitions with the PDS at local council level in eastern Germany and is hypocritical to suggest that arrangements at state level are

The two would-be coalition partners yesterday presented a 70-page document, negotiated over the last 10 days, which outlines the coalition agreement. The SPD will have six ministers, the Greens will take over the Environment Ministry, and independent techno-crats are being sought for the

three remaining post.
"The longest road starts with the first step," was the cau-tious verdict with which Mr Reinhard Höppner, the SPD state premier designate, greeted the landmark decision. He is likely to be elected pre-mier on July 21.

Only days before the election

on June 26, Mr Höppner said be would not consider any deals with the PDS, preferring instead a so-called grand coali-tion with the CDU, which has 36 seats in the state parliament, one more than the SPD. However, a day after the election victory the SPD leadership in Bonn were able to convince Mr Höppner that a coalition with the Greens, who have five seats, and horse-trading with the 21-seat PDS, however risky, was the only chance the SPD had of proving

the October elections. Recent opinion polls have seen the SPD lose its earlier lead over the CDU and many ohservers suggest the party will be hard pushed to recover lost ground hefore the October

that it was determined to win

The PDS has achieved impressive returns in state and communal elections in eastern Germany, hacked by voters angry about economic reforms, and it is likely to manage to get back into the Bundestag, or lower house of parliament, in the October elections.

Leading politicians in Thuringia, which neighbours Saxony-Anhalt to the south and is still a bastion of CDU support, sought to play down the spill-over effect of the red-green coalition. They argued that the differing economic and political development of the five eastern states meant it was unlikely the Saxony-Anhalt coalition would be

Glaring abuses of state funds by health services and the withholding of taxes by a handful of big Russian regions were sin-gled out yesterday as reasons for Russia's inability to honour expenditure commit-

A Finance Ministry report presented at a cabinet meeting to review the state of the economy said the government had simply slashed expenditure to make up for the failure to collect 40 per cent of tax receipts in the first half of this year. That figure in itself is encouraging given the fact that only 30 per cent of taxes were collected in the first quarter of 1994.

One example of abuses of funds the government identified was that of medical institutions which had spent the money

vate husiness activities or huying cars instead of medical equipment

Tatarstan and Bashkortostan, two semi-independent republics within the Russian Federation, were the higgest nonpayers of taxes among the regions, together withholding more than Rbs100bn. compared to the budget's total projected revenues of Rbs124,000bn

The credibility of the government's own promises to combine reforms with a fight against abuses has come into question following its recent decision not to abolish quotas on oil exports as promised from July 1. This crucial foreign trade reform, which would have increased tax revenues and removed a big source of corruption, was postponed until at least January 1995 without explanation.

Two Greek Cypriot women write messages on a banner in Nicosia's main square yesterday, the 20th anniversary of the coup thet prompted a Turkish invasion and partition of the island. The text, a quotation from an anonymous poem, reads: "Seal this cloth with

But reformers within the government and the president's administration blame the government's vulnerability to powerful vested interests, including the handful of companies currently enjoying exclusive export rights and those of officials who receive hribes in return for the allocation of quotas.

"This was too juicy a morsel to give up for certain interest groups," explains Pro-fessor Yevgeny Yasin, chief economic ana-lyst for President Boris Yeltsin.

At yesterday's meeting - missed by Mr Yeltsin, who was said to be suffering from a cold - Prime Minister Victor Chernomyrdin trumpeted the government's achievement in driving inflation down to 6 per cent in June, although officials have warned that it is likely to rise to double-digit figures by the autumn.

**MATKH T** 

# Emu unlikely this century, says Vranitzky

By David Marsh European Editor

The European Union's project for forging economic and mon-etary union (Emu) by the end of the century will be "very hard to fulfil", according to Mr Franz Vranitzky, the Austrian chancellor.

Speaking during a visit to London this week, Mr Vranitaky took a cautious line on the prospect of deepening polit-ical and monetary integration in the EU, which Austria is due to join on January 1.

Mr Vranitzky, whose country closely follows Germany in its monetary policies, said the EU should wait until after 1999 to establish Emu with a relatively large number of member states. This would avoid the danger of a "two-track" Europe a development that would emerge if Emu went ahead

with a smaller group. He said the 1996 intergovernmental conference planned to review the Maastricht treaty should discuss "a new institu-tional framework" for the EU. But he indicated the practical consequences might be limited to a stronger role for the European parliament and "more flexibility in decision-making". Asked whether Austria's

neutrality would allow it to ioin a common European security arrangement, he confirmed Austria's interest in participat-ing in "a system of collective security" but made clear this would not necessarily entail a commitment to provide troops for any possible EU actions against "peace-hreakers" in foreign conflicts.

Austria would decide "case hy case" whether support for EU security moves would involve the dispatch of troops or more "technical" measures - logistic support or help with arms supplies, Mr Vranitzky explained his

caution about Emu partly by

drawing attention to problems of "psychology" in replacing national currencies by a single European currency. "Austrians would definitely find it hard to see it [the schilling] eliminated in a short space of time he

He added that this sentiment was similar to that seen in Ger many and the UK about the possible replacement of the D-Mark or sterling. He said establishing a mone

tury union "that deserves the description" would require minimum number of countries" as participants. "I would prefer a larger num ber of countries. Otherwise we

could arrive at a kind of twotrack integration process which would not be an optima development." The number of countries likely to fulfil the Emu economic convergence criteria

laid down hy the Maastricht treaty was likely to remain rather low by the end of the century. As a result, he said, "f really

do think it will be necessary to talk about monetary union

later than 1999."
Mr Vranitzky made his comments even though the Masstricht treaty rules out any minimum number of EU states in 1999 as participants in monetary union. In theory, this means that as few as two or three EU members could launch Emu from that date, provided they fulfil the convergence criteria.

Austria is one of the few European countries which currently come close to meeting all the criteria on inflation, interest rates, public sector deht and hudget deficits. Although Austria does not perticipate in the European Mone tary System, the schilling's central exchange rate against the D-Mark has remained unchanged since the system

# of luck hit by dispute Bundeswehr successes revive Volker Rühe's ambitions, reports Quentin Peel In the shadow of Italy's gations - preventive detention talia, Fininvest's advertising Defence the gravevard of politicipation in the World Company of the C

participation in the World Cup final, Mr Silvio Berlusconi, the prime minister, has become involved in a dangerous confrontation between the executive and the judiciary.

The disagreement centres on a decree that drastically reduces the scope of investigating magistrates to use preventive detention of those suspected in cases of corruption.

The outcome could for the first time dent Mr Berlusconi's remarkable run of popularity since he took office two months ago. The institutional conflict also risks causing sharp divisions among Mr Berlusconi's allies in bis rightwing coalition. At the same time it could side-track the government's attention from formulating economic policy with the hudget plans promised next Thursday.

The decree, signed into force late on Wednesday hy Presi-dent Oscar Lulgi Scalfaro, permits some 2.000 people under preventive detention to leave prison. If it had existed 21/2 years ago, before the anti-corruption investigations, none of the more than 600 accused of various crimes would bave entered prison. They would at best bave been confined to

The restriction on the powers of arrest was bowever only one of the reasons bebind Thursday's resignations of the anti-corruption team of Milan magistrates led by Mr Antonio Dl Pletro. They claimed the decree was deliberately intended to curb their investibeing necessary to stop tampering with evidence and people fleeing from justice.

While there is considerable public sympathy for the government's move to end what was seen as often arhitrary use of arrest, the government

Resignation of magistrates will embarrass Italy's PM, reports Robert Graham in Rome

will not find it easy to justify its tactics. A decree with immediate effect, which then has to be cleared by parlia ment within 90 days, appeared an overhasty means of dealing with an issue that was not top of the agenda.

Indeed, it could only be con-

sidered an immediate priority if the government feared the magistrates might be about to make more high-profile arrests affecting its supporters. This has been much rumoured in recent days, following the breaking of a corruption ring among the Guardia di Finanza, the financial police, that allegedly condoned tax eva-

sion on a huge scale. Mr Berinsconi also has much explaining about conflict of interest to do. because the Milan magistrates who bave resigned were investigating the prime minister's Fininvest empire. The issue of arrest directly affected Mr Marcello Dell'Utri, the bead of Puhli-

arm, and a close colleague of Mr Berlusconi. He has challenged an arrest warrant in

Already government ministers are suggesting the decree can be altered in parliament especially that part saying crimes such as corruption against the state do not warrant preventive detection. But Mr Berlusconi is unlikely to alter the anbstance of the

> decree. He recognises that Mr Di Pietro is one of the most popular figures in Italy, as a result of his work unmasking corrupt politicians and husinessmen. But he also has opinion polls which indicate the public is no longer so interested as before in the corruption issue it was barely raised in the

> March general elections. The public reaction will be crucial, and the generally hostile response of the press yesterday was perhaps not an accurate measure of opinion. A compromise is possible, but none is sought and the public comes behind Mr Di Pietro, the populist Northern League will be the first to break ranks within the government. Until now Mr Umberto Bossi, the League leader, has been looking for firm ground on which to challenge Mr Berlusconi and reduce his ever-grow-

> This could be just such a pretext. Meanwhile Mr Berlus-coni, will not make a move until be sees how Italy fares in the World Cup. He is banking on Italy winning.

ing authority.

# Berlusconi's long run Back from the dead and aiming high

L cal ambitions. Five postwar defence ministers have been forced to resign prematurely because of scandal, political failure or ill health. The only man to survive and rise to greater things was Mr Helmut Schmidt, the for-

the wrath of your soul until the sun rises again over our enslaved land."

mer chancellor. Few doubt that Mr Volker Rube, the pugnacious Christian Democrat politician who is the current incumbent. would like to emulate Mr Schmidt. He admits that his fellow Hamburger is a role model, even if he is a Social Democrat. And be has certainly proved he is

a survivor. Less than two years ago, Mr Rühe's political career seemed to be in tatters. Touted in the media as a possible heir to Chancellor Helmut Kohl, be stood at the party conference of the Christian Democratic Union to become one of Mr Kohl's five deputy chairmen - and suffered the humiliation of coming sixth,

at the bottom of the poll.

It was a hrutal setback for an ambitious politician, and one which caused the chancellor of loss of sleep. For Mr Ruhe had allowed his amhitions to become too obvious.

He was suspected of plotting for a future grand coalition with the Social Democrats, and Mr Kohl suffers no rivals gladly. Ever since that day at the Düsseldorf party conference. Mr Rühe's star has been on the wane. Yet this week he was still very much

in office, exuding his old self-confidence, having just pulled off a remark-able hat-trick. He had seen the constitutional court give the green light for Germany's military forces, the Bundeswehr, to serve on peacekeeping expedi-tions anywhere in the world; he had persuaded the leaders of all three parties in the ruling coalition to accept his controversial plans to slim the military to just 340,000 men, and cut conscription from 12 to 10 months; and he had



THE THAT HE THE

emerged from the latest budget round with his expenditure virtually intact, after two years of spending cuts.

On the face of it, it was no mean feat. And yet practically nobody in Bonn is prepared to give Mr Rühe the credit for it. For his success, above all in winning the battle in the constitutional court, has a fatal flaw. It means that the Bundeswehr is being given a role in the modern, post-cold war world - the chance to participate in international peacekeeping - at precisely the moment when, largely thanks to Mr Rühe's previous cuts, its morale is at rock-bottom and its operational capacity is over-

From the moment he took over the office, little more than two years ago, at 49. Mr Rühe has been campaigning for changes or cancellations in hudget comoutside the Nato area. First, he tried to negotiate a deal with the Social Democrats to change the German constitution. When that failed, he embarked on a policy of deliberately sending men in uniform out-of-area, tempting his oppopents to launch a constitutional chal-

leage.
He sent military doctors to support the UN in Cambodia. He sent military observers in uniform to the former Soviet Union, and he allowed German air crews to fly Awacs airborne reconnaissance missions to police the no-fly zone over Bosnia-Hercegovina. He sent a German frigate to the Adriatic to help enforce the UN embargo on former Yugoslavia. And he dispatched 1,700 men to Somalia to provide logistical support for UN hlue berets.

The opposition rose to the bait, and ran to the constitutional court in Karisrube to demand clarification. And this week the court gave its blessing, with the proviso that the German Bundestag, the lower house of parliament, must normally sanction every mission. The government agreed yesterday to summon a special session next week, to give retrospective approval to the Awacs and Adriatic exercises.

But if Mr Rübe deserves a share of the credit for the court decision, his reputation on all other questions in Germany's defence community is mud. "Even a Green minister of defence [committed to abolishing the armed forces) would be better than Volker Rühe," one defence analyst said yester-day. "He doesn't give a damn about the Bundeswehr. He has systematically destroyed tha armed forces in a way which is without precedent."

All the evidence suggests that morale in the Bundeswehr is plumhing new depths. Parliament's ombudsman for the armed forces, Mr Alfred Biehle, said in his last annual report that constant

"shattered the credibility and leadership ability of the political and military

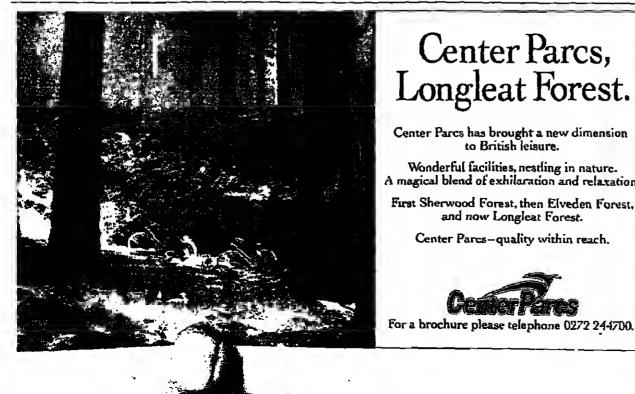
Mr Rilhe's first problem was that he never made any secret of where he wanted to be: in the Foreign Ministry. And he has used his present position to gain political popularity and profile with that end in mind.

From the beginning, he decided that the most popular political move would be to reap the "peace dividend" from the end of the cold war - by cutting his own budget. First he tried to and the Eurofighter, only to discover that his partners - Britain, Italy and Spain were not prepared to agree. So he had to settle for a superficial redesign of the aircraft, which will almost certainly

end up costing more, not less.
His next mistake was to try to be too active in volunteering big cuts in his own defence budget.

"Instead of asking the budget committee for more than be needed, and then negotiating down to a sensible compromise, he actually offered them bigger cuts than they were contemplating," according to an impartial observer. "The budget committee simply wasn't prepared to give up its job. so it cut him still more." Real defence spending last year was reduced by some 28 per cent. This year's budget freeze amounts to a token reprieve.
"Nobody would dispute that the

Bundeswehr needs to be smaller," 2 military attaché said. "The budget is no longer enough to support 370,000 men.
Yet from Mr Rühe's point of view. that is still a success: he has reaped the peace dividend. The cut in conscription also seems certain to be popular with young voters and their families. He is determined to prove the soothsayers wrong, and demonstrate that there is a political life in Bonn after the Ministry of Defence.



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# decision delayed

Diplomats reported Mr Sze-

By Frances Williams in Geneva

Members of the General Agreement on Tariffs and Trade yesterday decided to postpone a formal decision on the future headquarters site of the World Trade Organisation until next week. But trade diplomats say it is now almost certain that Geneva will win the day over Bonn, the only other contender.

Mr András Szepesi, Hungary's Gatt amhassador, who is conducting the consultations on the issue, told a meeting of trade officials yesterday that four-fifths of delegations had supressed an official view. Other countries are being given until noon on Monday and delegates will meet again

next Tuesday, when the final

decision is expected.

pesi as saying there was a "clear tendency" towards one of the candidates. Though he did not say which, the assumption is that most countries are opting to stay in Geneva, where Gatt now has its headquarters. The Gatt secretariat Is due to be transformed into the WTO on January 1 next year.

ster. Swiss ambassador to Gatt. emerged from yesterday's meeting to say Geneva's chances were "completely intact". "We're almost there," said another senior ambassa dor who favours Geneva. Some uncertainty remains because neither the US nor

A smiling Mr William Ros-

Japan has yet pronounced. However, France has publicly come out in favour of Geneva, a francophone city, as have other French-speaking countries. Germany claims the support of about 20 countries but, with the exception of Belgium, these are mostly small developing nations.

The contest between Geneva and Bonn has been keenly fought, with both cities offering multi-million-dollar packages of office accommodation and diplomatic perks to attract the future WTO.

However, trade diplomats said yesterday that, following hig improvements in the terms and conditions offered by the Swiss, there was nothing to be gained materially from moving to Bonn, and much to lose.

Other trade officials expressed fears that many Gait staff would refuse to move, disrupting the WTO's work

INTERNATIONAL NEWS DIGEST

# Plan to tighten curb on beef

The European Commission bowed to political pressure from Germany yesterday when it proposed to increase restrictions on export of beef from Britain because of the threat of bovine spongiform encephalitis, or "mad cow" disease

Mr Rene Steichen, EU agriculture commissioner, proposed to limit exports of British beef in carcase form to herds which have been free of the disease for six years rather than the current two years. This would not affect sales of boneless meat. Mr Steichen said be based his suggestion on scientific advice offered by the Commission's veterinary committee. The commissioner's draft is being referred back to the committee, which must accept his proposal before it can be formally adopted.

The BSE problem is dua to be discussed at a meeting of European Union agriculture ministers on Monday Germany has been threatening a unilateral ban on British beef imports if the Commission does not tighten up restrictions. But the British government believes it is time to start easing the curbs placed on the beef trada since the outbreak of BSE six years ago. It cites the sharp decline in the number of cases of BSE - a 23 per cent drop in the number of cases in the first six months of the year - as evidence that the disease is under control. Deborah Hargreaves, London

### EIB loan accord with Poles

The European Investment Bank (EIB) has signed a three-year framework agreement with Poland that could result in up to Eculbn (2789m)in loans from the bank for infrastructural projects aimed at integrating the country with the European Unico. Mr Wolfgang Roth, a deputy head of the bank, says that the agreement marks a shift in thinking about Poland at the EIB. Instead of treating Poland as a "post-communist." country building a market economy" it is now viewed as a

"prospective member of the European Union".

According to Mr Roth, the EIB is prepared to lend around Ecusion to central and eastern European countries over the next three years, with about a third going to Poland. The highway building programme in Poland would be a prime candidate for loans. Christopher Bobinski, Warsau

### US industrial output grows

Industrial production in the US rose 0.5 per cent between May and June - but the increase mostly reflected greater use of electricity with unseasonably hot weather. Excluding utilities, production rose 0.1 per cent from May, the Federal Reserve said. Overall production was 5.8 per cent higher than in June last year, having risen for 13 consecutive months. But the pace of growth has ebbed in recent months.

Industrial output grew at an annual rate of 44 per cent during the second quarter as a whole, against 8.3 per cent in the first quarter. This mainly reflected a slowing down in car production, partly caused by capacity constraints. There were wide variations in the performance of different sectors. Production of business equipment rose 0.6 per cent from May; but output of construction supplies rose only 0.2 per cent. Mining output fell 0.5 per cent. The overall industrial operating rate rose 0.3 percentage points to 83.9 per cent last month, its highest level in five years. Michael Prouse, Washington

### Germany loses 'sherpa'

The German government is to lose its top international financial negotiator, Mr Gert Haller, state secretary in the Finance Ministry, to the private sector next year. Mr Theo Watgel, the finance minister, said yesterday that Mr Haller – who acts as the "sherpa" for Chancellor Helmut Kohl in the preparation of the Group of Seven world economic summits, and is the German government representative on the EU monetary committee – is to join the private Wüstenrot building society and banking group as joint chief executive from next January. Mr Haller, 50, has been state secretary only since August

last year, when Mr Horst Köhler, his predecessor, resigned to become president of the German savings banks association. Mr Waigel said Mr Haller had taken his decision for personal reasons. He insisted there had not been "any hint of a di agreement" with him. Quentin Peel, Bonn

### Bond sues TV network



Mr Alan Bond, the failed Australian tycoon, is suing the country's Seven television network for allegedly implying in a programme that he was faking brain damage in an unsuccessful attempt to delay a court hearing on allegations of art fraud. He faces a preliminary hearing in Perth Magistrates' Court on Monday on charges of fraud relating to the sale of a work by Monet entitled La

### Ex-premier jailed for fraud

The former Labor premier of Western Australia, Mr Brian Burke, has been sentenced to two years in jail after being convicted on four charges of fraud, relating to Mr Burke's misuse of parliamentary travel funds to pay off A\$17,000 of his personal overdraft. Emilio Tugoza, Malbourne

### Van plant case rejected

The European Court yesterday rejected a complaint by the French bolding company Matra-Hachette against plans by Ford of the US and Volkswagen of Germany to build a minivan assembly plant in Portugal. Matra Hachette, which builds Espace minivans for French

car maker Renault, argued that the Ford VW joint venture should not bave been cleared under European Union competition rules because its capacity of 190,000 units a year will dominate the EU market Rejecting the complaint, the court ruled that Matra-Hachette did not provide sufficient proof of its claim. The court last year rejected another action brought by Matra Hachette against an EU decision to approve subsidies to the Ford VW plant. Associated Press, Brussels

### Taiwan woos foreign banks

Taiwan has relaxed restrictions on the establishment of offshore banking units (OBUa) in a bid to attract more operations and to help promote syndicated loan business in the local market. Foreign banks can now apply to set up an OBU without first having established a branch in Taiwan, an official at the finance ministry'a burean of mocetary affairs said yesterday. Applicants need not be among the world's top 500 financial institutions as before. "They only oeed to prove they have prudential management, a good business plan and the means to operate in Taiwan," official said. The minimum capitalisation requirement has yet to be decided, but will probably be NT\$30m (£1.9m). Taiwan currently has 38 OBUs, 19 of them run by foreign banks. Laura Tyson, Taipei

### BBC boosts Asia reception

The BBC said yesterday it would spend £30m on a new relay station in Thailand to improve reception of its World Service radio programmes in Asia. The relay station, comprising four 250-kilowatt transmitters, will carry broadcasts in up to ten languages and improve reception for more than 45 per cent of the world's population, the BBC said. BBC radio signals are weak in parts of Asia, and a growing number of Asians get news from television. Mr Prasong Soonsiri. That foreign minister, signed an agreement for the relay station with British diplomats in Bangkok yesterday. The transmitters should start broadcasting before the end of 1996 and be fully operational by mid-1997. Victor Mallet, Bangkok

# Rabin to meet Hussein at US summit

By Julian Ozanne in Jeruselem and George Graham in Washington

The Arab-Israeli peace process gathered pace yesterday as the US announced the first public summit between the Israeli and Jordanian leaders and as Israel made substantial overtures to Syria on the eve of a Middle East peace shuttle by Mr Warren Christopher, US

secretary of state.
President Bill Clinton said Mr Yitzhak Rabin, Israeli prime minister, would meet King Hussein of Jordan in Washington on July 25. The two neighbouring states have technically been at war since

The announcement, confirmed by Mr Rabin's office. cama after Mr Shimon Peres, Israeli foreign minister, said the Jewish state recognised the sovereignty of Syria over the Israeli-occupied Golan Heights. Mr Peres made the remarks in an apparent attempt to break the deadlock in talks before Mr Christopher arrived in the region on his third shuttle this

Taken together, the two moves represent a significant further step in Arab-Israeli negotiations Mr Clinton said the summit would be "another sten toward the achievement of a comprehensive and lasting peace in the Middle East".

The US plans to lay on a full ceremonial fanfare for the occasion. Mr Clinton said that in addition to their meeting, Mr Rabin and King Hussein would be invited to address a joint session of Congress. They will also attend a formal dinner at the White House.

In Israel the Rabin-Hussein meeting is expected to bolster both the government and public support for the peace pro-

The summit will be seen as one of the first concrete benefits from peace talks with Palestinians and a step to ending Israel's regional isolation desplie a 13-year-old "cold peace" with Egypt.

For Jordan the move marks the determination of King Hus-sein not to be left out of the unfolding Middle East peace process and to press Jordan's interests ahead of wider Arab co-ordination, particularly with As an inducement to Jordan

to move ahead in its peace talks with Israel, the US is discussing possible debt relief



PLO chairman Yassir Arafat greets a well-wisher during prayers in Gaza City yesterday

Mr Christopher, Mr Peres and

the Jordanian foreign minister

to focus on economic relations

measures as well as the supply of new military equipment.

The announcement of tha Rabin Hussein summit came after Jordanian and Israeli offi cials ended technical talks yesterday to prepare for formal negotiations oext Monday. The and regional integration propreparatory talks also laid the groundwork for a meeting in Jordan on Wednesday between

Progress in peace talks between Israel and Jordan will marginalise Damascus and put

in talks over the Golan Heights, Israeli officials sald yesterday that Mr Peres' acceptance of Syrian sovereignty over the Heights marked a "far-reaching" coocession to Damascus, Israel annexed the strategic plateau in 1981.

They said Mr Peres bad attempted to offer a groundbreaking opening in the talks which have been stalled by Israeli refusal to say how much land it would return and Damascus' refusal to specify whether it would agree to a full peace including open bor-

ders, trade and embassi Mr Christopher will also meet Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, to review the implementation of the israel-PLO peace agreement. He said be would discuss "the steps that I feel he must undertake to establish the account ability necessary to reassure the donor community

Mr Clinton said the Rabin Hussein meeting was "another step" on the long road to an will do everything I can to make sure the peoples of the region realise the blessings of peace that have been denied too long to them

# Cardoso's presidential hopes boosted by Real

By Angus Foster in São Paulo

Mr Fernando Henriqua Cardoso, Brazil's presidential candidate and former finance minister, appears to have significantly closed the gap on his main rival since the introduction of the country's new currency, the Real this month.

Mr Cardoso negotiated the Real and other economic measures through Congress before resigning to run for president. He needs the new currency

inflation if he is to catch the front runner, left-winger Mr Luiz Inacio Lula da Silva Before the currency was launched, Mr da Silva led Mr Cardoso by 41 per cent to 19 per cent in opinion polls.

But a poll released yesterday, and conducted after the new currency's introduction, showed Mr da Silva's support for the October election falling to 34 per cent and Mr Cardoso's rising to 25 per cent. More important.

level on 43 per cent for the second round run-off.

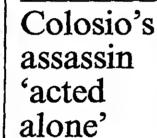
The findings backed up polls conducted before the new currency had time to take effect, which suggested a swing to Mr Cardoso, The stock market, which fears Mr da Silva would prevent liberalisation of Brazil's economy, gained more than 2 per cent in early trading yesterday. This followed a near 5 per cent increase on Thursday after another poll suggested Mr

to be seen as effective in reducing the Datzfolha poll showed the two Cardoso had gained ground in the populous state of Minas Gerais.

Mr da Silva and his Workers' party (PT) played down tha poll's signifi-cance and pointed out that Mr Cardoso was still behind in every state. Mr da Silva has had a difficult week. fighting off corruption allegations against his running mate José Paulo Bisol. The press claims may not mat-ter in terms of votes, but denial of them has taken up valuable cam-

The latest poll also showed a sharp fall in opposition to the new currency. The proportion of people believing themselves worse off because of its introduction has more than halved to 20 per cent, while 67 per cent of people said the currency was good for

Inflation is expected to fall to a single figure this month. This compares with an inflation rate of 50 per cent in June under the old currency, the cru-



By Ted Bardacks In Mexico City

The special prosecutor investigating the assessination of Mexican ruling party presidantial candidate Luis Donaldo Colosio has presented his final report on the killing and then promptly resigned as a public outcry condemned his conclusions as insufficient and unbeligvable.

The prosecutor, Mr Miguel Montes, said in his final report, which was expected to close the case, that Mario Aburto, the confessed assassin, acted alone when he shot Mr Colosio during a campaign rally last March in Tijuana. This contradicted his preliminary report, which claimed that Aburto was part of a conspiracy that included Tijuana members of Mr Colosto's own Institutional Revolutionary party (PRI).

Reaction to the new theory was swift and harsh, All leading political parties, deep into their campaigns, criticised the report, with the opposition claiming it was an attempt to close the case without scandal before the presidential elections on August 21.

Public opinion polls show that Mexicans overwhelmingly believe that Aburto did not act alone and that the government is unwilling or unable to find the intellectual authors of the miterizze

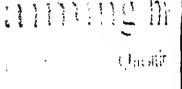
In announcing Mr Montes' resignation, President Carlos Salinas stressed that the case had not been closed. Instead, be said Mr Montes' replacement, Mr Olga Islas de Gonzalez, would specifically look into whether Aburto acted on orders of others.

Mr Salinas also set np a commission to review Mr Montes' work, the fourth sncb panel the president has created in as many months in an attempt to give the government investigation some credi-

The lawyer representing Mr Colosio's widow Diana Laura in the investigation, Mr Juan Velasquez, welcomed the resignation. "A complete revision of the case should be done to remedy the deficiencies of the investigation... which were to produce absolutely subjective conclusions," Mr Velasquez said. He called Mr Mootes' final report "ridiculous".

Mr Colosio's substitute as the ruling party presidential nominee, Mr Ernesto Zedillo, also criticised Mr Montes' findings, even though a lone gunman theory saves the PRI from suspicion that it participated in the assassination. But most political analysis agree that Mr Zedillo simply could oot sopport an investigation that had lost its credibility.





# Japan's widening trade gap hits hopes Siemens gains

By William Dawkins in Tokyo

Japan's trade gap widened by 14.8 per cent to \$11.35bn (£7.3bn) in the year to June, a serious blow to the Finance Ministry's belief that the surplus had

The increase, fuelled by a 20.3 jump in exports to the US and a 14.1 per cent rise in sales to the rest of Asia, brings Japan's overall trade surplus for the first six months of the year to \$60.01bn, a 5.1 per cent increase from the 1993 period. In May the surplus

\$24.56bn in the opening six months or by 43 per cent in June alone . driven by the expanding US economy's appetite for foreign goods.

The figures reflect the economic strength of the US and Asia, driving up exports there. What is missing is a recovery in Japan," said Mr Jlm Vestal, chief economist at Barclays de Zoete Wedd in Tokyo.

Japan's demand for imports grew by 8.3 per cent in June, or an underlying 11 per cent after adjusting for a

Japan's politically sensitive surplus fall in oil prices, a slight slowdown on improvements in corporate earnings with the US rose by 14 per cent to previous months. Over the first six and business sentiment. "If it had not months, imports rose by 7.6 per cent. This is slightly higher than exports,

at 6.8 per cent. The renewed surge in the yen, deting from the last week in June, has led some analysts to doubt that the economy will grow enough in the second half to bring the sharp drop in the surplus they were forecasting.

The government's Economic Planning Agency yesterday recognised that the recent sport in the yen's value casts a shadow over recent been for the appreciation of the yen, the Japanese economy would have been close to a state of bottoming

ont," an official said. Private sector economists believe that recovery would be stifled if the yan rose to Y90 to the dollar, but that growth would be possible at Y100. The yen fell slightly against the US currency in Tokyo yesterday, from Y98.19 to Y98.30 to the dollar.

The latest bankruptcy figures indicate that the health of smaller compa-

nies continues to be fragile. Debts of hankrunt companies fell by 12.7 per cent in the opening six months of thi year, but the number of corporate collanses still increased by 1.5 per cent to 6,925, according to Teikoku Databank, a credit research agency. Within that, a record 63.2 per cent of bankruptcies were directly caused by poor eco-

Separately. Tokyo department stores vesterday reported that sales fell by an annual 3.4 per cent in June, an improvement on May but still the

# nomic conditions.

linking up with US companies

company, to develop an inter-

Ministry's pian would, if real-

ised, also provide new entrants

into the multimedia business

However, the Construction

active multimedia system.

involved in multimedia.

# stake in Thai rail contract

By Victor Maliet in Bangkok

A joint venture of Germany's Siemens group and Italian-Thai Development, the leading Thai construction company, was yesterday awarded a turnkey contract worth \$1.1bn (£705m) excluding financing costs to build what is expected to be Bangkok's first urban rail sys-

The consortium signed the agreement with Bangkok Tran-sit System Corp (BTSC), a subsidiary of Thailand's Tanayong property group. Tanayong has a 30-year concession to build and operate two elevated rail lines with a total length of

Bangkok has no mass transit network for its citizens other Most recently it announced an agreement with Microsoft of than buses, and the city's traffic lams are notorious. But like all big transport projects in the capital, BTSC's planned railthe US, the leading software way has been dogged by delays and controversy. Successive governments have failed to cater to Bangkok's transport needs or to reconcile conflicts

an option of using a network between rival projects. Financing for the BTSC project from Deutsche Bank, kfW, the International Finance Corp that is not under the control of and other lenders has yet to be finalised, and BTSC says the conditional offer of a financing package from the German Thai consortium will expire at the end of August if negotiations

But the project was given a boost this week when Mr Chatri Sopbonpanich, executive chairman of Bangkok Bank South-East Asia's largest bank announced his support.

Mr Chatri's sister, Chodchoy, bas spearheaded a protest against the elevated railway on environmental grounds. although BTSC's supporters say the streets of Bangkok are aiready so unattractive and polluted that the project will not make much difference and may even reduce air pollution as the trains are electrically

Mr Wolfram Martinsen, president of Siemens Transportstion Systems Group, said just under half of the contract value would go to Italthai for civil works, with the rest going to Siemens for the rolling stock, power supply and other items. Trains would be provided by Siemens' subsidiary Duewa

BTSC says the system, with 25 stations and 102 carriages in three-carriage sets, will be able to carry 700,000 passengers a

The elevated system will provide travellers with a new and exciting view of Bangkok while carrying them above the traffic jams and floods which daily waste our resources and drain the travelling public's energy," said Mr Anat Arbhab hirama, BTSC president.

### Paper groups fined in £260bn state plan to boost cable US anti-trust probe

Tbree Japanese paper companies and a Japanese executive agreed to plead guilty and have been fined more than \$6m (£3.8m) for anti-trust activity, the US Justice Department said, writes Michiyo Nakamoto.

Mitsubishi, the Japanese trading house, its US arm Mitsubishi International, Kanzaki Specialty Papers, a subsidiary of Japan's New Oji Paper, and a former president of Kanzaki, are charged with conspiring to fix the prices of thermal fax paper in the US market in 1991 and 1992. The charge followed a two-year investigation by US and Canadian authorities. Mitsubishi exported \$5m of thermal fax paper to the US while Kanzaki, which manufactures the paper in the US, made \$40m in sales in the

\$120m-a-year US market. The anti-trust activity raised the price of thermal fax paper in the US market by about 10 per cent, according to the Jus-

tice Department. Of the fines, Kanzaki is to pay \$4.5m in the US and C\$950,000 (2444,000) in Canada. its former president will pay \$165,000. Mitsubishi will pay \$1.26m, and its US subsid-iary \$540,000. By Michiyo Nakamoto in Tokyo

Japan's Ministry of Construction is proposing to build an underground cable box network that would be able to house fibre optic cable for the country's planned information superhighway, the ministry

The project, eatimated to cost Y40,000bn (£260bn), would be entirely financed by public

The ministry hopes to present a bill to the next regular session of the Diet, the Japanese parliament. It bopes that the bill will be approved by the end of the present fiscal year and that construction work will start by fiscal 1995. Japanese politicians and bureaucrats alike have been keen to promote construction of an information superhighistry's plan, the network would way along the lines of the national information infra-

President Al Gore in the US.

They have also recognised that multimedia could provide much needed new businesses to promote future economic growth. The Ministry of Posts and Telecommunications, for example, believes multimedia markets will be worth Y123,000bn by 2010.

structure promoted by Vice-

The Japanese aothorities are also concerned that Japan has lagged behind the US in mov-

of fibre optic cable throughout Japan and plans to bring fibre to bomes by 2015. ing towards an advanced information society and have put considerable efforts into catch-The company has recently ing up with the US.
Under the Construction Minbeen moving aggressively to position itself as a leading sup-plier of multimedia services by

contain telephone lines as well, enabling existing above-ground telephone poles to be gradually abolished. The ministry hopes the bulk of the work can be completed by 2020. Telecommunications opera-

tors wanting to provide services using fibre optic cable would be able to do so as long as they laid the cable in the box network.

NTT. Japan's major domestic telecommunications company. has already laid over 85,000km

# GM chief urges compromise to spur trade talks

By Michiyo Nakamoto

Mr John Smith, president of General Motors, yesterday called for compromise in the stalled trade talks between the US and Japan, which he said were causing uncertainty in the foreign exchange markets. "Somewhere along the line we need to reach some form of compromise to take these trade talks forward," Mr Smith said

in Tokyo. His comments came as US and Japanese trade negotiators failed in talks this week to agree on how foreign access to Japan's vehicle and parts markets could be improved.

The chief executive of the world's largest carmaker noted tiations were important in helping foreign companies make progress in Japan but added that "the strengthening of the yen against the dollar has done more to level the trade playing field between Japanese and US companies than all of the rhetoric and policy initiatives of the previous

fact that the US-Japan trade imbalance has deteriorated despite the high-profile diplomatic talks...has not gone unnoticed by the Congress and the public". Consequently, "if Japan fails to open its markets more, then I believe the yen will continue to strengthen to the detriment of Japanese

GM had benefited significantly from the yen's sharp appreciation, Mr Smith indi-

The company has seen component sales to Japanese companies, for example, rise substantially over the past year and expects in four years to double its 1993 sales to Japa-(£512m).

GM also saw a 27 per cent increase in sales of cars and trucks in Japan in the first six months of this year, to 17,400 units, of which about 8,000 units were made in North America.

This compares with 31,958 units for the whole of last

# N Korea 'poses threat to region'

By William Dawkins

Japan's Defence Agency yesterday warned that North Korea's weapons programme was "a serious destabilising factor" in east Asian security. North Korea's suspected plans for nuclear, chemical and biological weapons posed an increasingly grave threat to Japan and the region, warned the agency, Japan's equivalent of a defence ministry, in its

annual white paper. This normally routine exercise in informing the public of the current state of defence policy has extra significance this year as the Japanese govent is putting the finishing touches to a long-term overhaul of defence policy, due next month, in which reductions in grounds troops are envisaged. Understandably, the

agency wishes to head off any drastic decrease in its strength. "Defence strength is not something that can be arranged overnight," the white paper said. The study was prepared before the death of Presi-

dent Kim Il-sung, the former North Korean leader. Mr Hirotsu Ota, a Defence Agency adviser, said there were no contingency plans in the event of an attack by North Korea, but that measures would be considered if Pyongyang went ahead with its missile plans.

North Korea would soon complete its Rodeng 1 missile, whose range of 1,000km put most of Japan within reach, tha paper said. Even longer range missiles were on the way, it warned.

Despite the end of the cold war the agency expressed cau-tion about the 240,000 Russian troops stationed in the far east. Their future was uncertain, linked to "political and economic instability in Russia". The agency said Japanese forces were capable of defend-

ing Japan against a small attack and holding off a large assault until the deployment of US forces, under the US-Japan

### A US soldier runs through a readiness drill on a US Army Patriot missile at Osan Air Base south of Seoul yesterday Seoul to curb Kim mourning

By John Burton in Seoul

The South Korean government is to crack down on leftist organisations planning to hold mourning ceremonies for the late North Korean President Kim Il-sung, whose funeral is scheduled for tomorrow.

The announcement follows the firebombing of six police stations in Seoul on Thursday by radical students protesting at the arrest of student organisers after they praised President Kim.

Student organisations have also said they will send groups conveying their condolences to Pyongyang, after North Korea announced it would allow South Koreans who wanted to pay bomage to Mr Kim to cross the beavily fortified demilitzrised zone separating the two Koreas.

North Korea yesterday resumed propaganda attacks against the Sonth after suspending them following the president's death. It criticised

Young-sam for raising tensions by placing the country's military and police on alert after the announcement last Saturday of Mr Kim's death. It compared the "rude" actions to "setting a fire at a

"Despite the fact that even the US president and Japanese prime minister expressed their

funeral home".

regrets over the death of President Kim Il-sung, only Kim Young-sam. . is acting reck-lessly," declared the state-controlled Radio Pyongyang. South Korean officials have privately criticised US President Bill Clinton for offering condolences over Mr Kim's death in what was seen as a atic gesture to maintain

US dialogue with the new North Korean leadership. Suggestions by members of the main opposition Demo-cratic party to send a South Korean condolence mission to Pyongyang in an effort to improve relations have been condemned by the ruling Dem-

# Beijing cool on HK overtures

Mr Qian Qichen, China's foreign minister and vice-premier, reacted coolly yesterday to a suggestion by Mr Alistair Goodlad, British Foreign Office minister, that the two countries put behind them past dis-putes over Hong Kong's political reform and co-operate on other issues concerning the territory, Our Foreign Staff

reports.
Mr Qian also gave the impression of turning down a proposal by Britain's foreign secretary, Mr Douglas Hurd, that they should have an exchange of visits.

Mr Goodlad told reporters in Beijing yesterday that he had had a long discussion on Hong Kong issues with Mr Qian's

deputy, Mr Jiang Enzhu.
"I emphasised the need to put our past disagreements on constitutional matters behind us and to work together on the important agenda of issues that have to be addressed in the run-up to the transfer of sovereignty in the interests of building up the stability and prosperity of Hong Kong," Mr

Two hours later as Mr Goodlad was meeting Mr Qian, the Chinese foreign minister broke custom by answering two questions from a Hong Kong reporter about Mr Goodlad's remark. Mr Qian was asked whether China had said that, in the absence of political co-operation, there could be co-operation on other Hong Kong issues. Mr Qian said: "We did not say things to that effect. If there is to be co-operation there should be comprehensive co-operation in all areas." Asked about pros-

pects for his talks with Mr

Goodlad, Mr Qian laughed and

said he could not answer this

when they had only just met. Later the official Xinhus news service reported Mr Goodlad gave Mr Qian a mes-sage from Mr Hurd proposing an exchange of visits or a meeting between the two. Mr Qian reportedly replied "what could be agreed on at present was that they should meet when they were both in New York for a UN General Assem-

bly meeting this year. A possible reason for his coolness is that the Chinese took umbrage at receiving a public sermon on the need to co-operate over Hong Kong.



### SAO PAULO SOUTHERN METROPOLITAN RAILWAYS PROJECT

### NOTICE OF PREQUALIFICATION TO BID FOR CIVIL WORKS CONTRACTS

The Government of the State of Sao Paulo has applied for a loan from the Interamerican Development Bank (IDB), in various currencies, equivalent to US \$402 million, to part finance the cost of implementation of the TRANSPORTE SIM, an Integrated Transport System for the Sao Paulo Metropolitanos Region, and intends to apply part of the proceeds of this loan to eligible payments under the contract(s) for which this Notice of Prequalification is issued. CPTM (Companhia Paulista de Trens Metropolitanos), the São Paulo-State Metropolitan Railways company, will act as the Project Implementation Agency (PIA), while IDB loan resources shall be managed and transferred to the PIA by STM (Secretaria dos Transportes Metropolitanos), the State Secretary for Metropolitan Transport, which has already set up an Executive Group to oversee the project implementation.

Basic detailed designs have already been concluded by CPTM, so that CPTM mow intends to prequalify contractors which may be interested in presenting bids for the construction of sections of the Campo Limpo - Santo Amaro metro link, located in the city of São Paulo, Brazil. Two separate bids for civil works shall be issued:

Bid 1 - Santo Amaro Section (approximately 1,114 meters), which comprises the construction of Santo Amaro station over the Pinheiros River, including a stay suspension bridge structure and elevated sections adjacent to the station.

Bid 2 - Largo Treze Section, comprising the construction of underground Largo Treze station and of the railway sections adjacent to the station (approximately 850 meters), to be built in the inverted cut-andcover method, plus the construction of approximately 210 meters of dual width tunnel through sedimentary soil, employing the New Austrian Tunnelling Method (NATM).

Both contracts will request, in addition to the execution of civil works, development of engineering design work and execution of detailed construction drawings and documents.

This invitation for prequalification is open to any bidder (including all members of a joint venture) that have their origin in the eligible source countries, as defined under the Guidelines for Procurement of the

Bidders may obtain further information, and acquire the bidding documents, until August 16, 1994, at 2:00 PM (Brasilia Standard Time), either in person or through mail or fax, at the following address:

Secretaria de Estado dos Transportes Metropolitanos

C/O Grupo Executivo

Rua Butanta, no. 285, quinto andar, Pinheiros

05424-140, São Paulo, SP, Brazil

Telephones: 55 (11) 815-0255, ext. 266, or 55 (11) 705-4900, ext. 300 Fax no.: 55 (11) 816-8255

Requests should be clearly labelled as "Request of Instructions - prequalification for Campo Limpo -Santo Amaro metro link construction bids" followed by the bid number and section, as indicated

Two complete sets of instruction documents will be readily available upon request, separately for each of the two bids. Delivery or remittance of documentation is subject to the payment of a non-refundable fee, for each set, of US \$50.00 (fifty US Dollars) or its equivalent in Reals (R\$), the Brazilian currency, converted according to the standard commercial exchange rate. Payment shall be made through bank order or check, to the order of Companhia Paulista de Trens Metropolitanos - CPTM, clearly indicating the name of the company which requests information. Bank account for deposit is identified as follows:

: Banco do Estado de São Paulo - BANESPA

Agency : Rio Branco, no. 0205

Account : 13-02468-7

CPTM will readily dispatch the requested documentation through registered mail but said Company shall not be made responsible for any undue delay or loss of mailed material.

Minimum requirements that entitle a given company to apply for each prequalification are specified in the instructions. Prequalification applications for each contract shall be submitted in closed packages, either personally or by registered mail, and should be at the address indicated above no later than September 6, 1994 at 2:00 PM (Brasilia Standard Time). Any application arriving after that day and hour shall not be accepted. Packages containing applications should be clearly marked as: "Solicitação de Prequalificação para\_\_\_\_\_ (here go the bid number, either 1 or 2, and section name)".

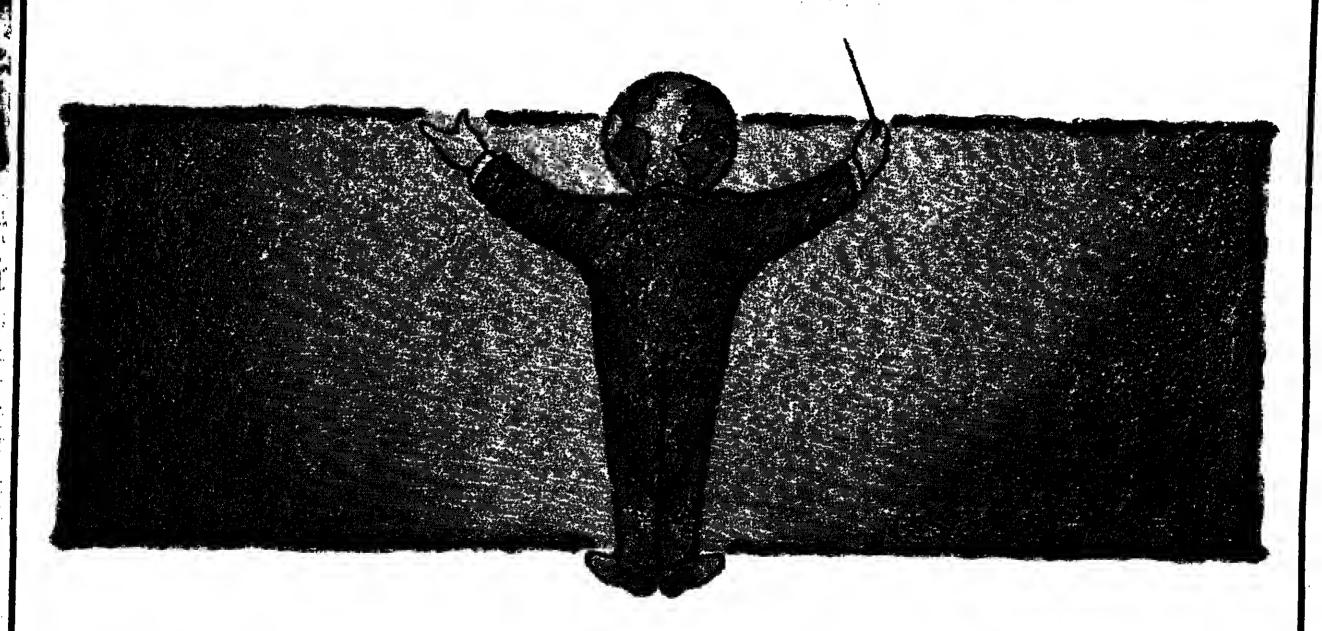
Applicants will be informed in due time as to the result of their applications, and only those which prequalify will be invited to present bids.



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# Electric chief makes £466,000 option profits

By William Lewis and David Lascelles

Mr James Smith, chairman of regional electricity company Eastern, has made a profit of £466,867 by cashing in share options awarded to him after

It brings to more than £12m the profits made by directors of the UK's privatised water and electricity companies exercising their share option perks.

Many of the executives are sitting on substantial profits from share options that they have not yet exercised and also from options that they have exercised but have not yet

On April 5 Mr Smith, who at privatisation earned a salary of £62,270, exercised 121,107 share options. He immediately sold 60,554 shares at 6.69p each and

60,553 the day after at 6.80p, to give him a total profit of

Three other Eastern directors recently exercised share options bringing them a com-bined profit of £143,000. The company said that it was "a private matter for the directors whether they exercised the share options".

A spokesman said that "in order to attract and retain

senior executives of the right calibre and degree of specialist talent Eastern has to be prepared to offer a remuneration package which is comparable with the rest of industry." Eastern's recently published

annual report, in line with several other water and electricity company reports, gives some details of directors' share options but does not reveal the actual profit Mr Smith made.

reveal the actual gross profits made by directors when exercising share options.

Mr Tony Coleman, group finance director of Yorkshire Electricity, made a profit of £152,550 by exercising 61,957 options in April and then selling on 45,000 shares. That left

have made total profits of about £4.5m by exercising options and selling shares since January last year. This compares with profits of about £7.5m made by executives of regional electricity companies. An exception to the rush to exercise options is Norweb, the

Stock Exchange disclosures compiled for The Financial are showing a paper profit of Times by The Inside Track, the Edinburgh-based consultancy, Water company directors

Water company directors

Manchester-based utility, where none of the executives has so far cashed in rights. Six executives have options

on nearly 600,000 shares, more than half of which they could exercise immediately at a profit of more than £3 a share.

A company spokesman said he could not comment on what executives did with their

### Anglo Irish talks hit impasse

Talks aimed at reaching a lasting political settlement in Northern Ireland ground to a standstill last night after Mr John Major, the prime minis-ter. and Mr Albert Reynolds his Irish counterpart, were unable to reach a compromise on bow to take forward the peace process, Emma Tucker

The UK-Irisb summit scheduled to take place at the end of next week has been put off until autumn when the two

leaders will meet informally. During yesterday's talks in Brussels, ahead of the summit to select a new president of the European commission, Mr Major was looking for a pledge from Dublin that it will modify the Republic's constitutional claim to Ulster. Mr Reynolds has been reluctant to give any firm commitment ahead of the conclusion of an overall agreement between unionists and

### London paper launch next week

Tonight, the new London evening newspaper being set up by a Yorkshire businessman, plans to launch next Thursday. The paper, which will be distributed free to central London commuters on weekdays, will

represent the first competition for the Evening Standard since 1987 Lord Rothermere closed the Evening News for the sec-

### Criminal reforms to miss assent

The Criminal Justice Bill. which has been the subject of intense opposition in the House of Lords, will not receive its royal assent by the recess, Mr Michael Howard, the home secretary, said yes-

He confirmed that the legislation would not have passed through all its parliamentary stages by the time the Commons rises on Thursday.

### Ex-Nissan chief to appeal to Lords

Former Nissan UK managing director Mr Michael Hunt was yesterday given leave to appeal to the House of Lords against his conviction for involvement in a £55m corporation tax fraud.

The Court of Appeal, which rejected Mr Hunt's initial challenge in May, certified that the case raised a point of law of general public importance enabling a petition to the law lords for leave to appeal.

### **Pollution bill**

A bill approved by the Commons yesterday will enable the government to ensure that an international agreement on new measures to combat oil pollution comes into force next year. MPs approved amend-ments by the House of Lords to the Merchant Shipping (Salvage and Pollution) Bill, and it is expected to receive the royal assent next week.

### M25 delay

The public inquiry into the scheme to widen Britain's busiest stretch of motorway, effec-tively creating a 14-lane highway, is to be delayed, the government said yesterday.

# aid for Hualon

By David Owen

The government is coming under mounting pressure to reconsider its decision to provide a £61m grant for the Hua-lon textile project in Belfast. Mr Nicholas Winterton, Con-

servative MP for Macclesfield,

is seeking a meeting on the subject with Mr Tim Smith, the Northern Ireland minister. Mr Winterton, chairman of the Manufacturing and Construction Industries Alliance an industry pressure group, said he was "bitterly disap-

pointed" by replies from Mr Smith to a series of parliamentary questions.

He described the decision to earmark aid for the £157m project as "one of those great civil service blunders that bave

affected British industry for several years", Mr Christopher Whitehouse, the alliance's chief executive, said: "We want It stopped,"

Mr Winterton's remarks came a week after it emerged that the recently established

Commons Northern Ireland committee is to probe aspects of the project as part of its inquiry into employment creation in the province.

The plant - to be built by a Malaysian division of Hualon, a Taiwanese congiomerate will represent the largest industrial investment in Northern Ireland since the failed De Lorean car venture.

It became the subject of controversy in May, when it emerged that the European Commission overrode strong objections from its own officials in approving the UK gov-

In his answers Mr Smith said the government had no plans to review its decision to assist the project, which it had concluded would not cause any significant job displacement in the UK.

Str David Alliance, chairman of Coats Viyella, Europe's largest textiles company, has warned that "as many as 1,000 jobs in Lancashire" could be lost because of the project.

The government is considering tion from unfair dismissal.

The move, which could be enacted next year, is one of a number of government proposals that aim to strengthen the rights of the disabled minority. The proposals were published yesterday in a consultative document by the Department of Social Security and

Tory MPs to introduce an overarching civil rights bill for the disabled. However, while ministers

said they were prepared to introduce piecemeal measures next year, the consultative document underlined the government's determination not to introduce comprehensive civil rights for the disabled.

Mr Nicholas Scott, minister for the disabled, told the

Commons that a recent private member's bill to create such civil rights would have a compliance cost for industry

Labour MPs accused Mr Scott of having belatedly responded to their attempts to amend the law. Mr Barry Sheerman, Labour's disablement spokesman, said the document was "piecemeal, partial, pathetic, grudging, belated, inadequate – and disabled peo-

ple will not accept it. Ministers said yesterday that the measures in the consultation paper could be introduced by individual Whitehall departments next year. These include a statutory requirement on bousebuilders to provide facilities for the disabled in new houses and the creation of an advisory body, the National Disability Council, to monitor the minority's rights.

Abolition of the disabled quota, which has been in operation since 1944 but is now considered unworkable, would be at the heart of the changes. At present, companies with more than 20 staff must employ at least 3 per cent of registered disabled people. Ministers are with limited disabled rights through statutory legislation and industrial tribunals.

that he would not be asked by Mr Rifkind yesterday signed a £1.1bn contract with the defence company Vickers for 259 Challenger-2 tanks, which fighting strength of the armed forces is being continually Mr David Clark, the Labour

Pledge of

no more

cuts in

defence

Tha government insisted

yesterday that this week's

defence cuts would not be fol-

lowed by more reductions in the near future, but the pledge was met by a sceptical reaction

from the opposition parties. Government officials said

that following Thursday's announcement of more than

18,000 job losses the Ministry of Defence would not be a target in the forthcoming public

round of expenditure negotia

tions, which cover the period

They stressed that the £2.4bm

procurement package set out this week by Mr Malcohn Rif-kind, the defence secretary, would not have been feasible

unless he was was confident

up to 1996.

By Bruce Clark

defence apokesman, said he doubted the government's ability to meet its stated defence commitments, even after Thursday's announcements. which are intended to trim spending by £750m a year from 1996-97 onwards.

Mr Clark said the gap between commitmants and available funding could rise to £3bn in 1997-98 and £3.5bn the year after. He suspected that more cuts were planned.

Mr Menzies Campbell, Liberal Democrat defence spokesman, said there were signifi-cant omissions" in the procurements announced. He said the armed forces' need for support and attack helicopters, and for fresh or upgraded transport aircraft, was more urgent than the

tanks, ships and submarines Mr Rifkind pledged to buy.
In Fife MPs, union leaders and councillors yesterday launched the Minesweepers for

Rosyth campaign. The base is set to close as an operational dock for Royal Navy ships, with the loss of 700 jobs. Minesweepers and fishery protection ships are to be of 1,500 service personnel will hit the local economy.

because of a continuing need for other operations at the base, including support for the adjoining royal dockyard. Along with the demand to keep minesweepers at Rosyth, the campaign will lobby for

In Exeter about 200 workers at a naval stores depot staged s walk-out in protest at the depot's proposed closure.

### Row grows over Work disabled quota faces axe follow attempts by Labour and running to at least £17bn.

By James Blitz and Ivor Owen

abolishing the compulsory quota on employers to provide jobs for the disabled, replacing it with a framework of legislation that would offer protec-

A quarter of self-employed tax

returns processed by the

Inland Revenue last year were

not right first time, according

to details of a survey released

Nine per cent of returns pro-

cessed for schedule E taxpay-

ers - employees and pension-

ers - also contained some

By Andrew Jack

yesterday.

Revenue misses accuracy targets

inaccuracies, the figures

To attain its targets, the Revenue is not allowed a single error with a tax consequence in the returns, which are ran-domly selected from across the

The survey was conducted in a pilot exercise as part of efforts to get bills right first

The accuracy rates were below the planned targets for the year 1994-95, which were 93 per cent for schedule E and 82 per cent for self-employed tax-

The Revenue also released details yesterday of three new targets for its services to the public: to deal with every aspect of people's tax affairs correctly first time; to answer

to attend to callers to its tax inquiry centres within 15 min-

and to deal with repayment

claims within 42 days during

peak periods and 28 days at other times of year.

tinning to aim for its existing

objectives: to reply to corre

It stressed that it was con-

ondence within 28 days and

# Waterways board increases income

By Jane Martinson

British Waterways, the nationalised body which runs Britain's canals, increased its earned income by £3.5m last year as part of efforts to phase out its dependence on government funding.

Some of the increase came from leisure uses such as boat and angling licences. The lished yesterday, makes clear that leisure and tourism, as well as the property market, are seen as important areas for

The board has increased selfgenerated income by 40 per cent in real terms since 1988, when it was the subject of a critical report by the Monopolies and Mergers Com-

Yesterday's report emphasises the board's heritage role - it owns more than 2,000 listed structures and ancient monuments and 64 sites of speenvisages its development along the lines of the National

The board received a £49.7m government grant last year, the less than the year before, while self-generated income rose to £38.1m. Mr Bernard Henderson, the

chairman of Anglian Water who was eppointed British Waterways chairman in April, said that although plans for privatisation would probably be welcomed by the government and the board he did not expect this in the near future. He said: "There was no great problem in preparing Anglian

for privatisation because there was a will [among staff] to run the enterprise themselves. I feel the same thing at British Waterways. And, if honest, the Treasury would love to get rid

He denied, however, that he had been brought in to prepare for privatisation. He added: "If the current grant suddenly stopped we would go under."

The base will be kept open with more than 900 jobs about two-thirds civilian -

the Fife region.

# Straight talker who could ignite the warm-words committee

Kevin Brown takes pre-result temperatures in the race for Labour's deputy leader

The form book was right. Mr Tony Blair, the modernising sbadow home secretary started as favourite to succeed John Smith as Labour leader and seems certain to win. Even Mr Blair's rivals, Mrs Margaret Beckett and Mr John

Prescott, sound increasingly half-hearted as they repeat the well-worn mantra that they can win on the final straight. That would be a huge and unexpected upset. But there may yet be some excitement when the preferences of up to 4.5m Labour supporters are announced on Thursday. It looks increasingly possible that Mrs Beckett, the interim leader, may also lose the dep-uty leadership to Mr Prescott,

the rumbustious employment If that happens, it will be a heavy blow to Mrs Beckett, who has campaigned largely on her record as Mr Smith's deputy since the last leader-

ship election in 1992. But it would be e stunning victory for Mr Prescott, whose passionate advocacy of full

employment has provided one of the few highlights in a dull Interviewed in the Opposi-

UMMER W

Chairman Bernard Henderson tests the commercial water. He admits: "If the current grant suddenly stopped we would go under"

tion leader's room at the Com-mons, Mrs Beckett admitted He thinks the party will vote for Mr Blair because it wants a that it was "perfectly possible" that she might fail to win either leadership post. She said: "I am used to going into elections that I might not win, and having to make my case and abide by the judg-

nothing odd to me about the fact that I might end up having lost both positions. "But the party must decide on the leadership team it wants at the next election. Winning is so crucial that if the party were to decide that it ought to have a different leadership team then the party must be free to make the deci-

ment of electorate. There is

Mrs Beckett's pessimism is mirrored by growing optimism in the Prescott camp. Rifling through hundreds of supporters' letters in his turret office overlooking the Commons, Mr Prescott said it was "staggering how many people are now

leader who can persuade Conservative and Liberal Demo-crat voters to switch sides. "I am not a strong suitor on those grounds," he said. He added: "But if they vots

for me as the deputy leader, I represent the heart and commitment that the party is concerned about, and it is a synthesis of those two positions from which, presumably, we will draw our general direction, values and presentation." Mr Blair has scrupulously avoided giving any indication of his preference for the deputy leader's job. But if Mrs Beckett does lose there will be long

faces among his entourage.

In part, this is because of a

long-standing enmity between Mr Prescott and Mr Gordon

Brown, the shadow chancellor, whose hopes of running Labour's economic policy might come to nothing under a Blair/Prescott leadership team. But it also reflects concerns about Mr Prescott's volatile personality, which throbs with

passion and commitment, in sharp contrast to the calculating but bloodless approach of Some Blair supporters say the shadow employment secre-tary is already prone to embar-rassing flights of fancy. Give him a leadership role, and he

will be a loose cannon on deck, they say. Mr Prescott is clearly irritated by this. Ha repudiates many of the more fiamboyant stories about him - such as reports of a row in the Commons tea room with Lord Callaghan, the former Labour prime minister, over nuclear

disarmament He is keen to defend his record as a serious political

European parliament delegation from 1976 to 1979; success ful Cod War negotiator with the Icelandic government in 1976; author of eight lengthy pamphlets on Labour's economic and industrial policies. He is also no slouch at the soundbite strategy so dear to the modernisers. His slogan, Traditional values in a modern setting" was devised by Mr Rodney Bickerstaffe, assistant general secretary of the Unison public sector union, but it

could easily have been dreamt up by Labour's spin doctors, But wouldn't there be tensions with Mr Blair over Mr Prescott's robust approach, and his determination to sharpen Labour's image by setting targets for progress in key policy areas such as full mulovment?

Mr Prescott rebuts this analysis with some force. He is clearly fond of his freebooting image, and admits disarmingly

courage it. "My style fits easily into that character," he says. But that doesn't mean he is incapable of knuckling down to collective responsibilities. "The leader and deputy leader can't be at war with each other," he says. "The party puts two people into the leader-ship . . . but at the end of the day the leader is the leader and ple into

is their responsibility to set the framework." Nevertheless, Mr Prescott's language betrays an impa-tience with the Blair style that augurs badly for those who think vigorous debate inevitably spells electoral disaster for

Noting that people are sup-porting him "because they think I will say it as it is", he launches into a long critique of the "be safe and say nothing" approach of Labour's modernrs, whom he lampoons as

He said: "We have started to

made it very difficult to differ-entiate Labour and the Tory party. I think we can be robust about our principles and argue our case.

"Sometimes you have to find

words to get over difficulties, but the trouble with our side is

that we have got too caught up

with the warm- words commit-tees . . . the warm words think the electorate has seen through a lot of this. Vision is OK, but they do like the mits and boits, and I'm more of a nuts and boits politician."

What will he do if he loses?

"There are people who don't want to stand for election because they think they will come out a bit weaker because the vote might not be as good as they think it should be. Tve always taken the view that if you acquit yourself well you will come out of it stron-. . I will certainly come out of this one considerably stronger, whether I have one of the leadership positions or

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# Tory MP in Graduate debt up 13% to £2,000 with whips

The government was yesterday embroiled in a dispute with a ministerial aide about whether he had resigned or was sacked days before the cabinet reshuf-

Mr Tim Devlin, parliamentary private secretary to Sir Nicholas Lyell, the attorney general, said yesterday morning that be had resigned over planned defence cuts in his Stockton South constituency. He was immediately contra

He was immensionly contra-dicted by Conservative party managers who took tha unprecedented step of saying that he had been dismissed for his "poor voting record and general ineffectiveness".

Mr Devlin, who has the repu-tation of being a rebel within govarnment, sald he was "gobsmacked" by tha statement. He accused the whips of "vindictiveness". With the impending reshuf-

fle only days away, friends of Mr Devlin asked why tha whips should sack a ministerial aide when they could remove him from office quietly next week. Last night Mrs Mar-jorie Simpson, chair of the Stockton South constituency party, said she believed the

whips were lying and backed Mr Devlin 100 per cent. The whips' office said Mr Devlin was sacked after he missed four important Commons votes, including two in the early bours of Thursday morning relating to MPs' allowances. They said Mr Devlin'e dismissal was connected

solely with party discipline. With a majority of 15, party managers said they were not prepared to allow members of government to "cherry pick" which votes they were prethe attorney general had been kept informed of Mr Devlin's dismissal and had accepted their judgment. Sir Nicholas's office would not comment.

Mr Devlin's removal gave ise to speculation that Sir Nicholas might be dropped from the government in next week's reshuffle. The rumours were fuelled by the govern-ment's announcement that Mr Devlin's duties were to be car-ried out by Mr Gary Streeter, Tory MP for Plymouth Sutton, who will remain parliamentary private secretary to Sir Derek Spencer, the solicitor general. Party managers denied that

the affair would have any effect on Sir Nicholas's future. Mr Devlin said Sir Nicholas had tried to persuade him to remain and fight his corner in the government. But he felt unable to do so once the defence white paper revealed the loss of 384 jobs in his con-

stituency. He said he went to see the whips who told him to announce that his resignation was for personal reasons. "I disagreed with that and was going to make my position clear," he added.

Mr Devlin has featured in newspaper reports about his lobbying for the release from prison of a man charged in connection with drugs dealing and who was also alleged to have been a police informer. The man left the country after

charges were dropped. While the publication of Mr Devlin's name in connection with this case was an embarrassment to the attorney genaral, government advisers made it clear that it had nothing to do with Mr Devlin's

# **Future of farm** body in doubt

By Deborah Hargresyes

The government has deferred a controversial decision on the future of the Agricultural Wages Board, which sets pay and conditions for 180,000 farm workers.

Labour says the board's existence is threatened by government plans to repudiate two international conventions that

would protect farm wages. Mrs Gillian Shephard, the agriculture minister, told parliament she had received advice from employers in the industry that Britain should oot recognised the two International Labour Organisation conventions as they would restrict flexibility in the farm labour market.

Mr Gavin Strang, Labour's agriculture spokesman, called Mrs Shephard's move "a shocking attack on some of the owest-paid workers in the

The two conventions, which re accepted in most countries, equire the setting of mininum wages for farm workers is well as the guarantee of an unual holiday. But tha Vational Farmers' Union said he conventions would mean

there could be no changes to arrangements for the next 10

The NFU strongly supports the continuing existence of the wages board. During the consultation exercise, Mrs Shephard has received calls from all corners of the industry for the board'a preservation.

But she said recent developments had forced her to rethink. This year's high pay settlement by the board, which awarded a 49 per cent wage increase to farm workers double the average settlement for manual workers - had led many employers to question the value of the board, Mrs Shephard said.

in addition, employees' representatives were seeking a indicial review of the board on the grounds that it discriminated against part-time work

Mrs Shephard said that in view of these developments "I halieve we must pause and

take stock". Mr Strang said the abolition or weakening of the wages board would drive down farm workers' wages, which were already 30 per cent below the

# to £2,000

By John Authors

The level of debt held by students on graduation rose by 13 per cent this year to an average of £2,004, according to a survey of 2,286 students by Barclays Bank

The study shows that students are relying increasingly on funds from parents - in the form of gifts rather than loans and less on banks. The average size of a bank overdraft at graduation now stands at £286 - down from an average £295 two years ago. They are also trying to avoid the govern-ment's student loans scheme. The average borrowed from the scheme was 2699, com-pared with an average available of £1,205.

The figures suggest that stu-dent hardship will increase in the next three years, as grants will be cut by 10 per cent each year, with the balance made up by loans.

Evidence that middle-class parents are being forced to spend more money on univer-sity education for their chil-dren, and that the take-up of loans is low will intensify the pressure on the government from academics to reform the student finance system, possibly by allowing students to repay loans via higher incoma tax or national insurance pay-

Parents and gnardians are bearing the brunt, and were nominated as the main source of income by 31 per cent of students this year, compared to 26 per cent last year. Those naming student grants and loans as their main source of income fell from 61 per cent to

More than 80 per cent of parents knew about their chil-dren's debt levels, with 85 per cent saying they were worried

The proportion owing money to their parents has fallen from 21 per cent to 13 per cent in the last two years, as parents increasingly give money on a "no-strings" basis.

Barclays found that students were becoming more "serious-minded" about their personal finances, with most resigned to going into debt, and about their careers, with exams overwhelmingly cited as the most important issues facing them. Those on professional

courses were most likely to be in debt on leaving university. while pure sciences graduates had the lowest debt levels. Students from six institutions - including old universities and former polytechnics -were surveyed. The six were

nally intended. The original schame involved cash payments of up to £10,000 to every member, including borrowers, as well as



Buffy Gammond with goats from Vauxhall city farm which will be on view this weekend at the Lambeth Country Show io Brockwell Park, south-east London. The organisers expect the event, featuring showjumping and Jamaican jazz, to attract 100,000 visitors

### Law Society decision challenged £160,000 and Mortgage Express

Complex calculations for C&G

Alison Smith on the conundrum

which faces the building society

The Law Society is to be challenged in the High Court over its refusal to pay compensation to a company which lost thousands in a mortgage fraud allegedly involving a dishonest

In the first case of its kind a judge yesterday gave Mortgage Express leave to seek judicial review on the grounds that the solicitors' professional body reachad a "fundamentally flawed" decision.

Other mortgaga lenders

The task facing tha Cheltenham & Gloucester Building Society is a complex

one. It is having to devise a

scheme for distributing the

£1.8bn that Lloyds Bank bid for

the society that will be seen as legal by the courts and as

The task before the society

after the High Court ruling

that certain payments it

planned to make to members

were unlawful is reminiscent

In essence it appears to

amount to devising a lawful scheme where there is the

greatest possible overlap

between members who can

vote and members who are eli-

gible for cash payments. But

the smaller number of those

qualifying for payments means that the payments themselves should be higher than origi-

of the sort of mathematical

problem set in exams.

attractive by its investors.

which also want to make claims against the Law Society's compensation fund ara awaiting tha review's

Mr Robert Griffiths QC, for Mortgage Express, said the case arose after the company funded the purchase of a flat in Marylebone, central London, using the services of a solicitor wbom the Law Society now accepted was dishonest According to a valuation report the property was worth

did not make them society

members. But Sir Donald Nicholls, the

vice-chancellor, ruled that cash

payments could not be made to

investors of lass than two

years' standing, nor to borrow-

ers, although it was lawful to

give cash to depositors and staff. The requirement in the

1986 Building Societies Act for

high levels of support among

investors for such a takeover to go ahead, makes the task

While borrowers have to

approve the move only by a

simple majority of those vot-

ing, at least 75 per cent of

investors voting - or investors

representing 90 per cent of the value of investments which

carry voting rights - have to

The details of a new scheme

will be announced in mid-

more difficult.

agreed to loan the purchaser £144,150. It was only after completion of the sale in December 1990 that the company discovered that there had been an overvaluation and it had been caught in a "back-to-back" transaction. The flat had been bought earlier the same day for

In April 1992, after mortgage arrears rose to £10,000, Mort-gage Express obtained an order for possession. It later sold the

alternative way of handing out

the £500 cash payments to bor-

The voting threshold for get-ting consent of borrowing

members is lower than for

investors. Borrowers are also

less mobile than investors, and

so perhaps more susceptible to the long-term benefits of

accepting the Lloyds' offer, for

example in terms of the lower

interest rates they may be

charged. It is also clear that a critical factor will be what is

known as the qualifying date -

the date for the start of the

counting back to establish who

At the end of March, 27 per

cent of C&G investors were of

less than two years' standing.

but that proportion will

already have fallen, since the

society closed to new investing

members in mid-June, the day

is of two years' standing.

rowers will be on offer.

ing a total loss with interest of £124,021. Mr Griffiths said the Law

Society had uolawfully rejected the company's com-pensation claim on the basis that the money was primarily lost as a result of the overvaluation and the subsequent fall in the property market. He added: "If the compensa

tion fund doesn't pay out it is difficult to see in what circum-

scheme, thus increasing fur-

ther the overlap between those investors abla to vote, and

C&G would not necessarily

have to wait anything like two

years before the proportion of

voting investors ineligible for cash fell to a level which the

society's board believed would

There is a further, slightly

baroque, twist, which involves encouraging ralatively new

investors, and perhaps, bor-

rowers, to open deposit

accounts as a way of receiving

There are some difficulties

with this - for example, the Building Societies Commission,

the sector's statutory regula-

tor, might well look unkindly

on such an account if it were

confined to existing members

Yet if it were open to any-

one, the fact that its existence

was announced before the clos-

ing date for eligibility might

payments.

of the society.

enable it to win the vote.

those able to receive cash.

### Credit card spending up property for just £72,767, leav-

The summer sales boosted spending in clothes shops and department stores in June, and consumers appear to be switching to credit cards from cash and cheques, a survey hy Credit Card Research Group said yesterday. Statistics recording all tha

**National** 

**Savings** 

continue

The slide in the contribution of National Savings to govern-

ment funding continued lest

month, falling to £405m from

£424m in May, Scheherazade

Daneshkhn writes. Net receipts in June totalled

£194m, with gross sales of £825m being offset by repay-

ments of £631m. Accrued inter-

For the first time since their launch at the beginning of the

year Pensioners' Bonds - with

net sales of £116m - last month

ceased to be the highest con-tributor and were supplanted

by premium boods with net

National Savings' contribu-

tion to funding for the finan-cial year 1994-95 to date was £1.4bn at the end of June.

Finance and the Family, Pg V

est amounted to £211m.

sales of £142m.

to fall

rredit and debit card transactions in Britain showed that spending on both jumped 10 per cent on a monthly basis in June to £4.69bn.

Total spending with debit and credit cards was more than £27bn in the first six months of 1994, more than 16 per cent higher than the same period last year.

### Standard Life to join PLA

Standard Life, the UK's largest mutual life insurer, yesterday signed up to the Personal Investment Authority, the new watchdog to protect the private investor, in spite of its earlier opposition to the regulator.

The insurer made it clear that it was the fact that the PIA bad become inevitable rather than any change in the company's views about regulation which had led to its application to join.

### Uniform jobs lost

Compton Webb, a Derby-based manufacturer of military and other uniforms, yesterday closed a factory in Newport south Wales with the loss of 230 jobs.

The company, a subsidiary of Coats Vivella, said there had been "a dramatic decline" in

### August, but there are a few after the judgment. lead to the very fluctuations in to others who could not vote, Strathclyde, Manchester Met-There is nothing in principle funds between societies that clues already about features it the uniforms market, which ropolitan, Sheffield, Warwick, to stop the society setting a qualifying date well ahead of the regulatory system has been such as depositors - people was highly competitive and might contain. It appears Bristol and Westminster. with e savings account which unlikely, for example, that an keen to avoid. over-supplied. OECD supports 'bold' reforms of health service

By John Willman Public Policy Editor

The government's reforms of the national health service are producing "increasingly encouraging results", the OECD says in a review of the UK economy.

It says the reforms, "a bold attempt to introduce elements of competition into the centrally-financed healthcare system", have increased the NHS's

their patients have dona much to challenge hospital practices and

demand improvements. The OECD says, however, that the government has made little effort to monitor the impact of the changes. It warns that political pressures over the closure of hospitals may weaken the process of adjustment.

They have also made hospitals authorities, which purchase health-

tax rates for people earning about £25,000.

But in general the organisa-

tion praises the supply-side

reforms introduced since the

1980s to improve Britain's eco-

nomic structure, although it warns that "the process is by

The UK, it says, "now has

one of the least regulated

labour markets in the OECD".

But as elsewhere, "much

remains to be done to reduce

poverty trans, notably for low-

skilled unemployed with lependents and those receiving

The report fleshes ont the

analysis and forecast of the UK

economy provided in last

month's OECD Economic Out-

look. It says Britain has made

"major strides" in restructur-

ing its economy and should experience steady growth with

falling unemployment and a

manageable current account

deficit in the next 18

no means finished".

housing benefit".

respond better to patients' needs. And care on behalf of most people, are tancy are close to OECD averages, the fundholding family doctors who short of purchasing skills. The result The centralised control of the purchase health services on behalf of is that changes in patterns of healthcare are slow, as districts tend to deal with the same hospitals as before

rather than ehopping around.

Mrs Virginia Bottomley, bealth secretary, said it was gratifying that the OECD had recognised the achievements of the reforms.

The organisation says that the NHS has traditionally delivered healthcare It says that the district health at a lower cost than comparable countries. Infant mortality and life expec-

The centralised control of the health service has been effective in holding down costs, the OECD says, making the NHS a "remarkably cost-effective institution"

The report says GP fundholders have been particularly successful in improving the quality of treatment. It acknowledges the criticism that fundholding may create a two-tier system. but compares that with the already wide variations in the standards of family doctors before the reforms.

It says: "The answer to potential inequity is not to abandon this effective form of nurchasing, but to extend fundholding and GP-based purchasing to cover more patients."

Mr Devid Blunkett, shadow health secretary, said it was easy for Parisbased economists to see the changes through rose-tinted spectacles. He said: "The reality for patients, nurses and doctors who experience

### **CONTRACTS & TENDERS**

### SUGAR & INTEGRATED INDUSTRIES COMPANY "S.I.I.C." 12 GAWAD HOSNY STR. CAIRO/A.R.E

Announce that the correct date for opening envelopa for Tender no. 2/6 BELKAS for Pumps for Balkas Sugar Project which will be financed by

PURCHASING SECTOR

SAUDI FUND FOR DEVELOPMENT Loan is 8th August 1994 other terms remain unchanged.

### LEGAL NOTICES

MANCES DIVISION

IN THE MATTER OF THE COMPANIES ACT 1985 OTICE IS REREBY CIVEN that a Petition vas on the 1st July 1994 presented to Her dujcuty's High Court of Justice for the outlimation of the reduction of the Share vatuum Account of the above-numed company w DM 2010011

obstruction of the above named company
of EA. 200,000.

IN THE STREETHER GIVEN that the and notifice is furnished given that the aid Petition is directed to be learnd before the legister Buckley at the Royal Courts of Justice iterad Loudin WCLA 2LL on Weshepsby the 7th Ind 1994.

LNY Creditor or Shareholder of the said Despain destring to appose the making of an Inter for the confirmation of the said noduction of Share Presimm Account should appear at the inter of hearing in person or by Counsel for that employ.

espice,

t copy of the said Perision will be furnished to
by person requiring the same by the
adermostomed Solicitors on payment of the
adjusted clumpe for the same.

AFED the bigh day of July 1994

Restates and Mar.

itanghter and May

5 Baninghall Street,
ondon, ECZV SDB

lef: MNM
ioficition for the anid Company.

IN THE HIGH COURT OF JUSTICE.
CHANCERY DIVESTOR IN THE MATTER OF NEK INVESTMENT MANAGEMENT LTD

NEW, INVESTMENT STATUSE OF
THE COMPANIES ACT 1985
NOTICE IS MEREBY GIVEN that the Order of
the High Court of Justice (Chancery Division)
stated och July 1994 confineing the todaction of
the capital of the above named Company from
£5,000,000 to £1,930,000 and the Missite
approved by the Court showing with respect to the
capital of the Company as altered this several
particulars required by the above mentioned Act
were registered by the Registers of Companies on
8th July 1994.
Suspicies & Jany 35 Basimphall Street,

Stanghter & May,35 Beninghall Street, London EC2V SDB (Ref: RLH) Solicitors for the above named Company

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### VAT on domestic fuel supported LIK ECONOMY - SHORT TERM PROJECTION

Economics Editor

The government's controversial imposition of valua added tax on domestic fuel and power was yesterday given the full backing of the Paris-based Organisation for Economic Co-operation and Development

In a generally upbeat review of the UK economy the organisation, which is owned by 25 industrialised countries, says levying VAT on fuel and power is desirable for reasons other than safeguarding the environment.

The organisation applauds the tax because it broadens the VAT-base. It suggests that the VAT rates on fuel, currently S per cent and due to rise to 17.5 per cent next April, might be too low.

It says: "Allowing for the environmental costs of energy consumption, an indirect tax rate even higher than the standard VAT rate could be justified on efficiency grounds." Other UK tax changes of

Inflation should not be a problem in the next two years recent years gain less wholehearted support. The organisa-tion notes that more tampayers but the Treasury and the Bank of England are urged to remain have been shifted into higher vigilant and take pre-emptive marginal tax brackets. In addiaction to keep inflation low tion, the interaction of national when the economy returns to its long-term trend rate of insurance contributions and income tax has resulted in an growth

Percentage changes from previous period Volume (1990 prices) Private consumption Government consumption Gross thad investment Private 8.0 Public<sup>®</sup> Private £.8 First domestic demand Stockholiding\* Total dornestic demand 0.8 3.4 Poports Imparts Roeley belsace\* Real personal disposable income Porsonal severy ratio
Private consumption deflator 29 Employment Unemployment rates Marufacturing production -16.5

General generiment and public compositors "Changes as per cent of GDP in the prestous period "Data in levels "Unadjusted claiment

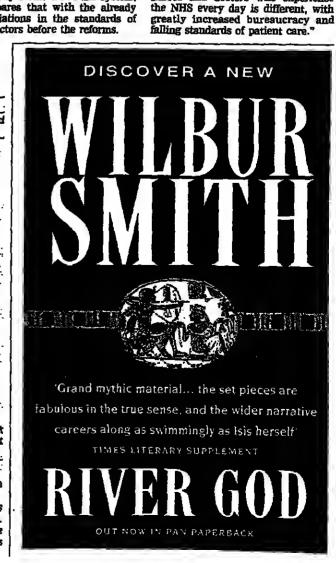
The OECD warns, however, that unemployment will still be unacceptably high and above its natural rate in late

Content believes

Soliton
As per cent of GEP 2.1 labour force in the medium

OECD Economic Surveys 1993-1994: United Kingdom. OECD Publications, 2 rue

It says Britain must continue André-Pascal, 75775 Paris to upgrade the skill level of its Cedex 16, or BMSO.



Number One Southwark Bridge, London SE1 9HL Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700 Saturday July 16 1994

# Time for a new US tune

Successful jazz musicians must the timing of that increase, combine the ability to improvise although the president may wish with rigorous technique. Though neither President Clinton nor Federai Reserve Chairman Alan Greenspan made a career of their saxophone playing, the US dollar's recent travails demand much the same skills. They are right not to keep slavishly to the market beat, but the underlying theme should

not be forgotten.
The week ended better than it began: with the dollar rallying above its record lows against the yen, and long-term bond yields below their levels when Mr Clinton took office. Over the past 18 months, investors have been lis-tening to the US Administration's haphazard comments about the dollar. Mr Clinton may hope that they are now following his plea to judge the dollar by US economic fundamentals. But the verdict on those is more mixed than he

The president's case against a further dollar decline rests on three planks. First, unlike other major industrial countries, US ecoadvanced, with GDP forecasts promising steady growth in out-put and jobs for this year and the next. Secood, inflation remains subdued: there is little to indicate that a rapid monetary tightening is needed to keep demand in check, Finally, the nascent recoveries in Europe and Japan mean that the American current account deficit, though substantial, has reached its low-point, and should prove less of e worry in the

months ahead, How plausible is all this? The administration's projections for US output growth in 1994, as revealed in last week's mid-session budget review, remains 3 per cent, with the pace expected to ease slightly in 1995. Most observers think that the economy is currently expanding somewhat faster than this, as evidenced by last Friday's leap of 379,000 in the number of jobs. Whatever the true figure, few would argue that America's current problem is anaemic

### Performance fears

Fears about current US economic performance do not, however, centre on its weakness. They focus instead on the possibility that the economy is already com-ing up egainst capacity constraints that will feed through into wages and prices. Mr Greenspan has raised short-term interest rates four times since February, by a total of 1.25 percentage points. Even Mr Clinton now eccepts that the current rate of 4.25 per cent will have to rise before the end of the year. The two are unlikely to agree on to have the ritual outrage of some constituents well behind him in the run up to November's House and Senate elections. Yet, for the moment at least, both do seem at one in their opinion that interest rates must remain a lever for domestic demand management, not for attempted manipulation of

aithough the president may wish

Recent growth

Yet many would cite domestic reasons for lifting that lever as soon as possible. In addition to the buoyant employment figures, for example, capacity ntilisation is reaching levels that have historically triggered inflation. Against such capacity pessimism is e cur-rently fashionable view that recent growth in productivity, combined with rapid equipment investment, over the last 18 months is overturning historical truths about US economic capac-

Prices and wages may not continue to support such optimism, but last week'e figures - flat producer prices with a slight rise in consumer prices - did not indicate the need for a drastic correction. other words, the Federal Reserve chairman was given few domestic excuses for raising rates now rather than at the next time the FOMC meets on August 16.

Where the line between 'domestic' and 'foreign' fundamentals is getting increasingly hard to draw is with regard to the third - and shakiest - leg of the Clinton case for the dollar, namely, the balance payments. It is the coincidence of two events, one familiar, the other unprecedented, which has caused the trouble. The familiar one is US structural current account deficits, exacerbated by faster domestic growth than in its trading partners. As in the early 1980s, this leaves the US needing to attract foreign capital equivalent to about 21/2 per cent of GDP to balance the books. What is unique about the current situation is that the need for foreign funding does not end there. Funds must also be found to offset the \$130bn of capital the US is currently sending abroad, compared to an average of only \$10bn a year

in the 1980s. Mr Clinton may be right to argue that the flight from the dollar has been overdone. But he cannot be as confident as he sounds that the fundamentals are on the dollar's side. Its plight is a reminder of long-standing US weaknesses. The world's largest economy is trying to achieve rapidly rising individual incomes with a net saving rate of around 2 per cent. Mr Clinton should tell Congress it cannot be done.

his kerfuffie about sala-ries is a peculiarly Brit-ish thing, said Mr John Bellak, once chairman of Severn Trent Water and recipient of a 2512,626 pay-off last year. He was reflecting from the Carlton Club in London on the latest arguments about pay, pensions and share options that are swirling around the weter and electricity distribution companies, four years

on from privatisation. Some critics charge that the executives of the privatised companies are former civil servants who have managed to get their hands in the honey pot; supporters claim that they are overworked managers battling away in complex industries, whose personal merits are only now eginning to be recognised.

The extremes of the debate are crude, of course, and do not address directly the question of whether reward should be matched to performance. But as annual reports have trickled out recently, and the small print at the back has revealed details of remuneration and pay-offs, critics have become more outspoken: the rewards have been outstripping performance,

in the Commons, warming to the theme that privatisation had turned into a swindle against consumers, Mrs Margaret Beckett, acting Labour leader, asked the prime min-ister this week: "How can you defend the fact that the chairman of North West Water got £47,000 a year before privetisation and now be

gets £338,000?" Mr John Major defended the water privatisation programme and said directors should abide by the government's strict limits on pay increases for public sector workers. Meanwhile, Mr David Hunt, employment secretary, has been telling executives that those who climb to the top of the ladder should be mindful of their responsibilities to

Water and electricity executives might have had an easier time fending off their critics but for three factors: the recession, lay-offs in the privatised industries, and larger bills for consumers. "For a lot of people, when they come into the industry, what really hits them is that they're in a goldfisb bowl," said Mr Bryan Townsend, chairman

of Midlands Electricity. Those looking into the bowl see plumper and more valuable shapes than he recent years. This is true even in the goldfish bowl of Scotland, where, as in the case of Scottish Power and Scottish HydroElectric, the privatisations were priced more parsimoniously than the English electricity companies, and where the chairman and senior executives have been a little more restrained in taking salary increases than some of their English peers. None the less, the

rises were substantial. Mr Ian Preston, chief executive of Scottish Power, has seen his pay rise from £63,175 before privatisation in 1991 to £255,218 in 1993-94. Sir Donald Miller, Scottish Power's first chairman, saw his pay increase om £75,873 in 1990 to £203,192 in 1992, the year he retired.

In England, at Northern Electric, the salary of Mr Devid Morris, chairman, went up in the last financial year to £208,000; it was £72,151 in 1989-90. At Northumbrian Water, Mr David Cranston, the chief executive, earned £150,000 in the last financial year, three times more than the company's managing director at the time of flotation. On top of their salaries, most

than to play percentages.
"When we were privatised - the directors and senior executives of the privatised companies have been the 12 of us were both chairmen and

# It's better when you're private

Are the salaries of bosses in former UK public utilities justified, ask FT writers

The utility bosses: cashing in



chalman of North West Water. Previous chairman at privatisation earned £47,000

granted options to buy shares at a

specific price. There is nothing

unusual in this practice: it is a com-

mon method of allying hopes of per-

sonal fortune to corporate perfor-

mance. But the bonanza has led to

growing calls from the Labour party

for an independent inquiry into the

At Swalec, the south Wales elec-

tricity company. Mr Wynford

Evans, chairman, has exercised options on 111,510 shares, making a

paper profit of just under £500,000.

Mr Henry Casley, chief executive, and two other directors of Southern

Electricity, had paper profits of more than £1m in total on the exer-

cise of 240,000 share options. The departure last year of Midlands

Electricity's managing director, Mr

Richard Young, was made more

comfortable by his possession of

options which could provide a paper

There is no doubt that, as one

City utilities expert put it, "many of

the privatised company executives have gone from being moderately

comfortable engineers to quite

wealthy businessmen in three or

four years." But the qualification of

the adjectives is significant. As the

observer noted: "There are plenty of

30-year-olds in the City making more money than these guys."
The amounts involved are trivial

compared with the sums made by

property entrepreneurs in 1989-90,

privatised utilities' executives are a

more cautious breed, trained to

make technical decisions rather

when values were surging. But the

profit of more than £500,000.

way the utilities are regulated.



chairman of Midlands Electricity Pre-privatisation salary 262,270



John Bellah ex-chairman of Severn Trent Water £512,626 compensation for early retirement: £404,829 for early 2107.797 for future pension

termination of service contract and payments, Salary was £230,300

chief executives. Eleven of us were long term in the industry, 10 were engineers," recalled Mr Townsend. Now the roles of chairman and chief executive have been split and "virtually all the chief executives are engineers, not all of them from inside the industry".

They have in common the fact that they seem obsessed with work. Mr Alan Smith, managing director of Anglian Water, said he had never worked harder, never worked lon-ger and never worried more than to the years since privatisation.

Many executives have gone from being comfortable engineers to wealthy

businessmen in three or four years' Sir Desmond Pitcher, the subject

of Mrs Beckett's ire as chairman of North West Weter, uses the golf course and opera house as an extension of his office. "He just hasn't time to be e playboy or anything like that," said a colleague.

Mr John Seed, chief executive of SWEB, the south-west electricity company, started work on Thursday at 7am, finished at midnight and was starting work again yesterday

There is little evidence that the higher salaries and the grant of share options has turned the tech-nocrats into hedonists. "After privatisation my salary increased significantly, but I did not buy a bigger

change," said Mr Walter Waring. managing director of Eastern Electricity until 1992.

Such modesty is characteristic. Sir Donald Miller formerly of Scottish Power has a yacht but did not bother to upgrade it when he moved off nationalised industry pay. Mr Bellak has e rambling country house in Staffordshire, but he owned it before he joined Severn Trent, Mr Preston, also of Scottish Power, who was taking a day off fishing yesterday, "has a emaller house in Glasgow than I have", said a colleague, "and a little cottage in Dumfriesshire". Mr Townsend pointed out: "The big difference is when you retire - if you look at the situation under the old regime, we wouldn't have been very well off at

Yet, for all their rather mundane aspirations, the executives and directors of the privatised utilities often attract venom. At the political level, the disparity between their good fortune and the misfortune of those made poor by recession is an easy target. In the City there are expressions of unease at their salary levels.

"These companies were privatised on the cheap as the merchant banks did a good job of persuading the government how little they were worth. They were then given an extremely relaxed regulatory regime as privatised monopolies. The directors were given a wodge of share options and the ability to sack people, so they got large increases in their share prices. So everyone's e millionaire," said a senior fund manager.

The executives in the privatised industries would say this is e gross exaggeration. They are not defen-sive about their pay packages. "I would never have come here for £40,000," asserted in Michael Hoff. man, chief executive of Thames Water, who joined the company nine months before privatisation. "And I mould name have required "And I would never have recruited top people into other positions if the company did not pay them proper competitive salaries." Attracting top talent through sal-

aries that compete with the private sector has been a crucial issue since the mid-1980s, when the government was seeking to strengthen the management of the state utilities. Often the incoming managers took pay cuts on the assumption that, as the state utilities absorbed private sector practices, the pay position would be redressed

Mr Waring argued that one reason for the pay rises of the past three years was the government's refusal to pay a fair salary in the public sector. It was common for senior staff reporting to him to be paid 10 per cent more than directors. "There were discussions with government about adjusting salaries before privatisation, but they would not do it," he recalled.

fter privatisation, as the water and electricity companies went into the market for new staff. they had to pay market This had a ratcheting effect, as the wages of existing staff were brought into line with the newcom-

The arrival of new staff was only one element of the changes which took place in the state utilities in the period before and immediately after privatisation. "As a nationalised industry, we had one paymester. These days we have to expiain our strategy and requirements to a wider public," said Mr John Tysoe, for the last year non-executive chairman of Yorkshire Electricity. That wider public includes shareholders. City institutions such as merchant banks, the regulators and the customer; it is not as cosy as being an old-fashioned water

This wider range of functions is offered as one justification by exec-utives for their higher salary rates. They also cite the more complex nature of their business. With finite profits from their regulated, mainstream activities, the companies have been diversifying into unregulated business such as power generation abroad, and waste disposal, So new and wider skills have been

tell before the A first

South West Water hired Mr Keith Court and Mr William Fraser as chairman and managing director just before privatisation. They have not had a pay rise since but, said the company, "they were recruited for their extensive international business experience to manage huge capital programmes and to deliver to budget and on time. It was understood that, if they could deliver, then the rewards would fol-

What these rewards will be is not clear. In industries where, as Mr Bellak noted, "different compar are developing different personalities", the levels of payment will remain a source of contentious debate. As they look out of the goldfish bowl, Mr Court and Mr Fraser will know that, in the interests of peace and quiet, they will have to be abla to justify every penny in their pay cheques.

Report by Roland Adhurgham, James Buxton, Paul Cheeseright,

### MAN IN THE NEWS: Jacques Santer, the next president of the European Commission

Jacques Santer is known as the man who named "Smiling Jecies" or "Champagne Jacques", the long-serving prime minister of Luxembourg, who was selected yesterday as the next president of the European Commission, is e low-key operator who avoids confrontation and specialises in forging compro-

By drifting towards Mr Santer who was nobody'e first choice in dent. - European Union leaders could not have chosen a more different character from Mr Jacques Delors, the volatile visionary who has been at its head for the past 10 years. History will show that they have made an important statement about the future direction of the

The Santer Commission signals e eral ministerial posts, including period of consoli-

dation in the pro-He is not a slave to cess of integration in Europe, a his work. He does not three times, most sit at his desk from 6am to 10pm. You leape forward marked by the meet him everywhere, Single European Market the Euroat each party pean Economic Area, and the

grand design for European monetary and political union - all of which bore Mr Delors' indelible

The risk that Mr Santer's appointment will weaken the institutional power and political leadership role of the European Commission is serious, though senior EU diplomate cautioned yesterday that it is premature to pass judg-

Much will depend on the quality of the Santer team and the degree of support the new president can expect from the Franco-German axis, a crucial factor in Mr Delors' successes in the late 1980s, when he became synonymous with Mr Europe. It will also depend on whether Mr Santer, like Mr Delors, can grow in the job during the five-

year term which he starts on January 5 next year.

Born in the small Luxembourg town of Wasserbillig in 1937, Mr Santer, 57, has spent almost all his life in the Grand Duchy of Luxembourg. His mighty micro-state has deftly exploited free trade, open borders and a favourable tax regime to build a thriving economy near the centre of a single European market

of \$40m people.

Mr Santer's political career took
off in 1972 when he was appointed secretary of state for cultural and social affairs. He became leader of his Social Christian perty in 1972, a post which he held until 1982. Long standing in the shadow of Prime Minister Pierre Werner, the intellectual godfather of European mone tary union. Mr Santer waited patiently for the top job which he took over in 1984, having held sev-

> Mr Santer has won re-election recently in last montb's poll. Asked about his strengths, an old schoolfriend who has kept in touch minister, sald;

"He is not a slave to his work. He does not sit at his desk from 6am to 10pm thinking he is the most important person in the country. You meet him everywhere, at each party. He is accessible to

Another colleague who knows Mr Santer well said that the prime minister is a good delegator, with a light touch and a tough streak. "He will never say no, but that does not mean he lets himself be pushed

Mr Santer's appointment has evoked memories of the selection of Mr Gaston Thorn as president of the European Commission in 1980. Mr Thorn, himself a former Luxenbourg prime minister, took over from Lord Jenkins, the former Labour cabinet minister, and served

# Brussels' beguiling new Bürgermeister

Lionel Barber on the Luxembourg prime minister chosen to replace Jacques Delors



Mr Thorn was overshadowed by Viscount Etienne Davignon, the powerful industry commissioner. and many predict that a similar fate could await Mr Santer should heavyweights such as Sir Leon Brit-tan, the chief EU trade negotiator,

retain their posts. Yet Luxembourgers who know both Mr Santer and Mr Thorn argue that the comparisons between the

two men are flawed. "Thorn was a tough guy who had been chairman of the United Nations general assembly, but he was a poor prime minister of Luxembourg. Santer is a nice guy who has done a very good

Mr Santer's record on the Euroan stage is easily underestimated. In 1985, he chaired the negotiations leading to the Single European Act, playing a useful role in persuading

the then British prime minister, Mrs Margaret Thatcher, to drop ber reservations about the move towards more majority voting on EU laws. He argued, successfully, that the loss of sovereignty was worth exchanging for the prize barrier-free internal

market It was during Luxembourg's sixmonth presidency of the European Union in 1991 that much of the groundwork was done for the Maas-tricht treaty on political and mone-tary union. British officials recall that Mr Santer and his team stood out in favour of the "pillar system"

- the term used to describe the separation of supranational decisionmaking (trade, agriculture, competition policy) and looser inter-governmental co-operation on foreign pol-icy, defence, justice and immigration.

Mr Santer is a federalist - but only if it means preserving local and national powers in sensitive areas. He prefers the old Treaty of Rome term. "European Commu-nity", to the new. Maastricht-in-spired "European Union", which implies not so much about loose co-operation and more about the direction of integration. "The big difference with Delors is that Santer does not come from the French European Council) since 1985. "He centralising tradition," says a will listen to the big chiefs, but he colleague of the will not be a pup-

Luxembourgers As Mr Santer told the Luxempredict that Mr burger Wort Santer will be newspaper this week: "For me, federalism is the more independent than expected as opposite of cenpresident the procees of

European integration does not mean to usher in a ple has supplied a second president Napoleonic Europe. The more of the Commission in 14 years-Europe is decentralised, the stron-

Such sentiments will endear him not only to British Euro-sceptics, but also to the foes of Brussels centralism who bave become more vocal in France, Germany and Italy since the agreement on the Masstricht treaty in December 1991. His political beliefs spring from a deep conviction that Luxembourg has thrived in the EU, precisely because it has avoided being submerged by a central authority or swamped by its larger neighbours, France and

Germany. This conviction explains the Grand Duchy's resistance to German-led calls for an EU-wide withholding tax, which would mean scrapping the tax privileges offered to foreign savers (and stemming the flow of Deutschemarks into Luxen-

bourg). Mr Santer has made clear that Luxembourg will only agree to a new harmonised tax if it is extended to other OECD tax havens tar, Lichtenstein, Monaco, and Switzerland.

There will be no deal between Mr Santer and Chancellor Kohi on withholding tax," predicts Mr Lucien Thiel, general manager of the Luxembourg Bankers Associa-

Luxembourgers predict that Mr Santer will be a little more independent than expected, if only because he has been a member of the exclusive club of the 12 heads of EU government (known as the European County) since 1995 The

pet on the string of Helmut Kohl and [French President] François Mitterrand, said of disbeller that a .

country with embourg, which is aiready over represented in terms of institutions and voting weights in EU decision-

"A new Bürgermeister is coming to Brussels," summed up one Com-

mission official yesterday. In fairness, Luxembourg is merely fulfilling its historical role. In the Middle Ages, several counts from the House of Luxembours were called upon to serve as success sive German emperors, because they were compromise candidates who came from a country which did not represent e threat to the

Greater Powers. As Mr Delors might say: "Plus of



# Storms in a coffee cup

Alison Maitland looks at the effect of severe frost in Brazil

30p (19%)

Production & packaging

32p (21%)

Marketing & administration

46p (30%)

Retail margin 15p (10%)

Profit before tax & interest

31p (20%)

stes are before Brazilian frost spells Mustan Stendebrook, Smith New Court

offee drinkers in increase in coming months Europe and the US could be 50 per cent. msy find the prospect of mp to 50 per cent rises in the price of a packet of ground beans a little galling. For Brazilian coffee farmers who have lost some or sll of their plantations, the frosts that have sent the coffee market into a frenzy this week have been little short of disas-

Both farmers and consumers are losers on the coffee market's wheel of fortune. On the winning side are commodity speculators who have made millions of dollars as prices surged, and coffee growers unaffected by the frost whose future profits may be helped.

The combination of last weekend'e severe frost with another a fortnight earlier is believed to have been unprecedented in Brazil, the world's largest producer. The damage to the crop that will be harvested this time next year is expected to be the worst since a bitter frost in 1975 destroyed more than two-thirds of Brazil's production.

The prospect of a squeeze on prices soaring; London, robusta beans for delivery in to \$4,000 a tonne, 230 per than at the end

of last year. Even before the frosts, however, ths marclimbed nearly 100 per cent tbie year, driven by supply sbortages, dwindling con-

interest. The rise has more rsmarkabls · bscanse

sumer stocks

and speculative

prices have been depressed for the past four years. Last October the main producing comtries began withholding supplies to try to revive the

The agreement gave the market an initial boost, and it then gained fresh momentum this year. US investment funds provided some of the impetus, though Mr Robert MacArthur. bead of trading in tropical products at Merrill Lynch, the US investment bank, in London, says many took profits at the end of May, when New York arabica futures became volatile. He estimates their well-timed flirtation with the market netted between \$750m and \$1bn - even though they missed the frost-driven rally. Coffee drinkers bave not been so fortunate. The latest surge in world prices signalled the end of a period when self-induced insomnia was cheap, though retail price changes tend to lag behind world bean prices because manufacturers buy stocks four

or more months in advance. Continental European drinkers, who usually prefer ground coffee, should see the biggest price jump: raw beans account for a lower proportion of the cost of instant coffee, where production and advertising ontweigh the price of the beans in a jar (see graphic).

Neatlé this week raised ground coffee prices in the US by 13 per cent, and instant coffee by 10 per cent. In Germany some roasters marked up ground coffee prices by 28 per cent and forecast the total

Douwe Egberts, the leading brand in the Netherlands, Belgium and Spain, has raised the price of a 250g pack of ground coffee by 26 per cent since January and further rises are possible. Mr Herman Bouwman. director of corporate communications, says this year's increases have had no impact on sales and points out that retail prices are rising from a low point. A pack of mediumquality Douwe Egherts coffee in the Netherlands today costs Fi 3.40, compared with Fi 6.50

in 1977, two years after the devastating frost in Brazil.

In the UK, where the market is dominated by instant coffee, prices are forecast by the industry to rise by a further 15 per cent to 20 per cent in the antumn after increases of more than 10 per cent so far this year. Nestle, which has 58 per cent of the UK instant cof-fee market, points out that the average price of a 100g jar of Nescafé had remained at £1.39 for four years until January. The price had fallen by 13 per

cent when world prices plum-meted 60 per cent following Retail price: 154 pence in 1989 of an export onota pact between producer and consumer coun-

cups of tea for

every cnp of

offee," said Mr

Mick Casey, a

Nestlé spokes-

man. "Now for

every cup of coffee, it's just

of tea." He adds there was "no

consumer resistance" to the

12% per cent rise in the price

of Nescafe in January -

though producers are not so

sanguine about consumers'

response in emerging markets

Moreover, the upward pres-

sure on prices may not last.

be tempted by high prices to

expand output and improve

productivity, which some pro-

ducers fear would lead to a

repeat of the "boom and bust"

cycle. New plants take about

three years to produce a crop,

so farmers planting now may

have only a couple of years

before overproduction pushes

sbort term as most bave

already sold their crops for

this year. In the long term

they lose because of the

short-lived nature of the price

rises." said Mr Richard Hide,

coffee buyer for Cafédirect, a

fair trading organisation

which guarantees its farmers a

minimum price.
Cafédirect is backing calls

from producer countries for a

revival of an international

agreement to stabilise the

market by setting target prices

But consumer countries, led

and operating supply controls.

by the US, bave ebown no

eagerness to discuss such pro-

posals. Trade negotiators

argue international pacts

bring pressure for higher

prices for producers rather

than stable prices for consum-

ers. The coffee market'e roller-

coaster looks set to hurtle on.

The farmers lose in the

prices down again.

World coffee producers could

such as eastern Europe.

said invasion appears inevitable.

The US administration has stepped Not surprisup its rhetoric in recent days, issuing ingly, Nestlé thinly veiled threats of military does not think action. Pentagon officials acknowl tbe edge the military has already drawn up and rebearsed detailed continlatest increases will kill the UK gency plans for military action. taste for coffee With a four-ship amphibious assault Ten to 15 group offshore, ostensibly ready to years ago, we drank fonr

forward to the past,

icy.
The island has nettled President

Bill Clinton since he took office in

January 1993, forcing on him numer-

ous about-turns. As more than 1,000

Haitians a day take to boats to escape

deepening economic hardship and

political repression, solutions to the

Even as Mr Clinton toured Europe

this week, the outlaw nation 700 miles from the US coast was demanding his

sttention. US backing for the United

Nations' trade embargo has so far

failed to oust the military regime of

Lt Gen Raoul Cedras, which over-

threw elected President Jean-Bertrand

Aristide in September 1991, and to

Lt Gen Cedras remains defiant. This week, he ordered 104 UN observers

out of the country as they were

reporting increasing human rights

abuses - including political murders

If sanctions do not force Lt Gen

Cedras to step down soon, pressure may mount for the US to do more

than commit itself to leading a multi-

lateral force to police Haiti if Mr Aristide is returned to power. Two consid-

erations are propelling the US

towards invading the country of 5.5m:

first, the swelling numbers of refu-gees, and second, the deteriorating

attractive options short of military intervention," said Mr Eric Melby, a

former National Security Council staff

member under President George

Bush. Mr Anthony Lake, Mr Clinton'e

chief national security adviser, has

nglish local govern-

ment is about to go back to the future -

or, more accurately,

The result of Sir John Ban-

ham's Local Government Com-

mission, the agency in charge

of planning the reorganisation

of English councils, looks

increasingly likely to be the

restoration of the system as it

was before 1974, when local

That outcome might not

seem obvious from the contro-

versial recommendations ths

commission has made so far.

But with proposals for 33 of the

36 English shire counties pub-

lished, the 'survival of county

councils, albeit in some cases

without their largest towns, is

now probable across much of

the country. Soma 30 large towns and cities seem set to

take over all local government

functions for their citizens, in

effect restoring the old county

boroughs swept away in 1974. Ministers are startled by this

prospect. They intended the commission to be the engine of

radical change. Both Mr Mich-

ael Heseltine, who set up the

commission when environment

secretary in 1991 and his suc-

cessor. Mr John Gummer.

favoured a nationwide system

of unitary councils which com-

and districts

county individually.

maps were last redrawn.

"There are not any other politically

human rights conditions in Haiti.

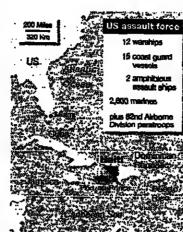
return Mr Aristide as leader.

and rape.

crists are fast running out.

US policy options over Haiti are increasingly pointing down the path of invasion, says Jeremy Kahn

### No sign of comfort or the Clinton administra-tion, ebout the only good news to come out of Haiti's news to coms out of Haiti's capital, Port-au-Prince, this was reports of bad weather. in the south Rough seas buffeted the coast of the troubled Caribbean nation, slowing the tide of boat people and granting the White House the time it desper-ately needs to shore up its Haiti pol-



evacuate US citizens or other foreigners, the US could be ready to invade this weekend, when a command and control ship arrives to lead the assault group. But officials have said privately an invasion is more likely in early August, when the US Congress - hesitant, like the American people about the buman and financial costs of military intervention - is in recess and thus unlikely to cause political embarrassment for Mr Clinton. The invasion would probably begin

in darkness, as special forces move to secure the airport, presidential palace, radio station and port facilities in Port-au-Prince, according to Mr Dan-Gouré, deputy director for political-military studies at the Centre for Strategic and International Studies in Washington.

Following these units, the 2,600 Marines now off Haiti's coast would come ashore either by landing craft or helicopter to secure the capital Mr Gouré said they would be reinforced by paratroopers - probably the US 82nd Airborne Division - and units trained in jungle warfare, which would be responsible for controlling the rest of the country.



Clinton administration officials have said it would take between 10,000 and 20,000 troops to capture the island. They would be likely to face little organised resistance from Haiti'e ill-equipped and poorly trained army

It is the prospect of a prolonged presence in Haiti that most worries the Pentagon. Mr Goure predicts the US would have to stay at least eight to 16 weeks, while a multinational peace-keeping force from Latin Amer-ica and the Caribbean under UN auspices is organised and trained. He said there is significant risk that Hai-tians, who harbour strong anti-colonial sentiments, would turn against their US "liberators", as happened in

With no Haitian tradition of democracy, the US would have to provide much of the physical and political infrastructure for a new government. Even then, the chances of salvaging the poorest country in the western hemisphere are not good.

Given these grim assessments, the US state department has been scrambling for a diplomatic solution. One

tion government including both pro-Aristide and pro-military factions.

There still is the option of trying to support a government of reconciliation." Mr Ernie Preeg, a former US ambassador to Haiti now with a

Washington-based think-tank, sald. "That is the least bad alternative." However, etate department officials said the idea is no longer under discussion and Mr William Gray, Mr Clinton's special adviser on Haiti, said the time to negotiate had passed.

r Clinton's problems with Haiti began during the 1992 presidential campaign. He described the Bush administration's policy of repatriating all Haitian refugees picked up at sea as "illegal" and "immoral". Soon after he took office came the first embarrassment; the repatriation policy was maintained.

Administration officials admit they panicked, following faulty intelligence reports which led them to believe a

policy change would unleash 150,000 to 200,000 boat people on the US. Mr Rick Swartz, a Washington lawyer who represents several Haitian buman rights groups, said Mr Lawton Chiles, governor of Florida - the state that would probably absorb most refugees - also lobbled Mr Clinton strongly to keep out the boat people. In June last year, the White House decided to help the senctions to help

decided to back the sanctions to help speed the faltering talks with the regime, regime. The tactic worked and the Cedras government and Mr Aristide met at Governor'e Island.

New York, one month later. But when the US Navy attempted to bring Mr Aristide to the capital, Portau-Prince, in October, the military reneged on the agreement. A US warship discovered an angry anti-Aristide mob at the dock and Mr Clinton

ordered it to return home. Soon after. Mr Aristide began to criticise US policy toward the refugees. After a coalition of black congressmen took up Mr Aristide's cause, Mr Clinton in May announced the appointment of Mr Gray, a prominent former black congressman, as special adviser on Haiti. He also said the repatriation policy inherited from the Bush administration would change: all Haltian boat people would receive asylum hearings aboard US Navy ships off Jamaica.

Under Clinton, [Haltian policy] has been driven predominantly by domes-tic politics." Mr Preeg said. "Very narrow interest groups that are pro-Aristide have a lot of influence.

The new policy prompted more Haitians to flee by boat, after reports that 30 per ceot of those applying for asylum in ship-board hearings were being granted safe haven in the US against 5 per cent at land-based nonagainst 5 per cent at land-based processing centres in Haiti.

Hoping to discourage the exodus and buy time for sanctions, Mr Gray announced another change: Hattians taking to the sea would no longer be given asylum in the US. They would be processed under a relaxed standard for safe haven in other countries in the region, most notably Panama wblcb had agreed to accept 10,000

boat people.

Less than a day later, on July 7, the new US policy was dealt an apparently fatal blow. Panamanian President Guillermo Endara, facing strong domestic opposition, withdrew his offer to house the refugees. At thet moment, the risky invasion which Mr Clinton had sought to avoid came one

# Town hall trench tactics

### John Authers on the (lack of) upheaval in English councils

that 22 county councils that should be replaced by uni-taries. But it is clear such radical change will not happen: the commission has failed to find much support for unitary councils and has said the status quo should be an option in

13 of the counties recommended for abolition. Where change is likely is in towns which would regain county borough status under the commission's proposals and the fastest-growing newer towns, such as Milton Keynes and Swindon, which will be added to that list, mostly with support from residents.

There is also a consensus in other areas in favour of unpicking the 1974 changes. All counties created by the 1974 reorganisation, such as Avon and Humberside, have been recommended for abolition, while Herefordshire, Huntingdonshire and Rutland, which disappeared in 1974 would be reinstated.

bined the functions of counties But the commission hit problems when trying to construct unitary authorities outside But the mechanism chosen for drawing up reform plans now looks almost designed to cities. It believes a minimum population of 150,000 is needed to make a unitary authority financially viable. In rural areas, that requires a large ensure ministers' grandiose ambitions would not be realised. Learning from the geographical area. For examunpopular 1974 reorganisation, ple, the proposed unitary ver-sion of the North Riding of handled by a royal commission, Mr Heseltine decided the approach this time should be Yorkshire would merge four consultative, treating each district councils and stretch almost from the North Sea to Superficially, the commisthe Irish Sea - dubbed "Sham-bleshire" by the Association of sion has drawn up a plan in line with Mr Heseltine'e origi-

District Councils.

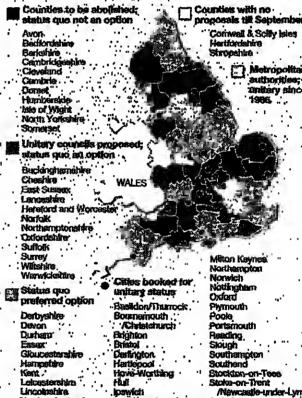
sioner with responsibility for Northumberland, said 48 per cent of local people had supported unitary anthorities in principle, but "when you give them something specific the principle fades slightly". This week saw the formation

of the Save Oxfordshire's Southern Borders Campaign. which objects to a proposal that a unitary Reading authority should include part of Oxfordshire. The Campaign for Cornwall - one of the three counties for which proposals have not been announced - is already trying to persuade the commission that splitting the county would "undermine the strength of Cornwall's voice' and leave the county "vulnerable to territorial expansion by

Plymouth". Birmingham University's Institute of Local Government Studies says the commission's attempt to find unitary solutions is leading it "to argue the case for a size of authority which will often neither reflect local community identity nor be able to carry out strategic

functions". Another obstacle to creating unitaries is the cost. Initially ministers assumed reorganisa tion would save money. But the commission's own estimates suggest that some of its "first-choice" proposals for restructuring counties into unitaries could be prohibitively expensive. For example, its proposal to cut Surrey into five unitaries could cost as much as £44m, with annual savings of

### Banham's map for English local government Counties with no



The review has also run into an unexpectedly strong politi-cal opposition, which bears similarities to the unholy alliance of unions and traditionalists which thwarted proposals for Sunday trading. Local government unions are opposed to the review because they believe it would fragment local

Northumberland Nottinghamshire Staffordshire

services and endanger jobs. The Labour party supports unitary councils in principle, but says it will vote against reorganisation proposais unless guarantees are made for council employees' job security. Conservative grandees also oppose reform. Mr Douglas

Hurd, foreign secretary and an

Warrington

Windsor & Maldenhead Wokingham

Oxfordshire MP, supports the status quo in the county. All four Somerset Conservative MPs, including Mr Tom King, former defence secretary, oppose abolishing the county. The commission also now seems to have doubts about reorganisation. Sir John himself says: "Any reorganisation costs more and dslivers less than its proponents suggest."

If the status quo emerges as a popular option after the extensive consultative exercise on which it is now embarking (leaflets are being sent to every bousebold), the commission could drop its main recommendations for changes without embarrassment. Sir John clearly believes this could hapdone, the level of popular support for unitary districts in shire England is very low indeed," be said last month, "People in shire England do not want to see a Balkanisation of local government."

Perhaps significantly, ministers have recently gone quiet about their desire for unitary councils. The review was a hopeless vehicle to deliver it in any case. As ona commissioner put it: "A leisurely review like this might have been used for some tinkering at the edges, but it would be impossible 12 push through anything more radical." Opponents will have plenty of opportunities to try to block changes when they are debated individually in Parliament.

As a result, the new local government map will almost certainly be very different from the one ministers had in mind. But as it is due to be implemented at about the time of the next general election they may be grateful that the commission has offered an escape route from the original plan for root-and-branch

### Technology is road to wealth creation in long term

From Dr Neil A Downie. Technology" (Economic Eye. July 11) Guy de Jonquieres expresses doubts about the value of new technology. Surely he would agree, how-ever, that new technology created by R&D - is the only long term source of wealth cre-

After a few decades of development, industry based on a single unchanging technology spproaches a plateau of efficiency, and the cost and performance of a manufacture plateaus too. Without the necessary (but not, 1 agree, sufficient) condition of new technology coming along, long-term prospects are invari-

ably limited. It is possible for individual companies to flourish without new technology if they are looking for short term gains, or if they are small niche firms. (No doubt a stone-axe manufacturing plant could still today be made s paying proposition). These possibilities have a tendency to blind us to the essential role of new technol- Addlestone, Surrey

ogy in wealth creation. For the larger firms, those looking for long-term advan-tage, and for nation states, new technology is essential. On a national level, for example, high technology companies are very important. In my own sector, that of semiconductor equipment manufacture, UK companies typically export 75

ernments feel the need to inject taxpayers' money into it is a reflection of the importance of new technology, and the failure of private industry

icy decisions which are with drawing taxpayers money too. Nell A Downie, chief executive,

4 Church Cottages,

Weybridge Road.

# Number One Southwark Bridge, London SE1 9HL Fax 071 S73 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Mrs Ann Levick, the commis-

UK government's plans for senior civil servants unwise and should be scrapped

LETTERS TO THE EDITOR

Sir, You are right in saying ("Politicians and civil servants", July 14) that the gov-ernment's White Paper needs to be judged by "the degree to which it preserves a non-politi-cal civil service that can serve governments of any persua-

If there is a change of government at the next general election, incoming ministers will be advised by senior civil servants, who will by than

the same political persuasion for an uninterrupted 17 years. They will be willing and able to give unbiased advice. But anything which has happened to reduce their traditional independence can only add to the suspicion which they will inevitably face from a new government. It would thus be most unwise to weaken the tenure of senior civil servants at this stage. Even a strengthened

of independence than the present appointments system. Furthermore, the compari-

son between the role of senior civil servants and besds of leading businesses - never very exact - becomes less and less meaningful as more civil service functions are hived-off or privatised. The role of the senior civil servant will be less the management of large departments and more the traappeal procedure would be a ditional ones of offering disinand watching over the public interest. There is therefore no need to introduce procedures which are appropriate to the private sector but which carry grave risks of political interference if applied to senior civil servants. This part of the government's plans should be scrapped

15 Galley Lane, Hertfordshire EN5 4AR

Michael Cole. director of public affairs. Harrods. 87-135 Brompton Road,

### No complaints, whatever the 'human need'

From Mr Ernest G Gobert. Str, I congratulate John Will-man on his "dispensation of a biblical text" to the bishop of Birmingham ("Judge not, that ye be not judged", July 9). The bishop obviously aspires to the sort of health service that existed in former socialist. countries like East Germany. Allow me to relate a story I

heard in Berlin the other day. Unwell lady in what was East Berlin to s friend in West Berlin: "I got my appointment with the specialist for last Wednesday at 9 am. 1 sat there all day. At 6 pm they told me to make another appointment."

Lady from West Berlin: "Did

still afraid to complain. And so much for the bishop's "basis of a human need". I do recommend a trip to east Germany to anybody who wants to do away with the "morally wrong and unchristian culture of competition". It is an eye-opener.

you not complain?" Answer-

"It would not be allowed." A

That is how an all-powerful

state treats its citizens. Even after four years of being

allowed to complain they are

pause: "Would it?"

Thank you, John Willman Ernest Gobert, 3 Beechwood Drive Moriow, Bucks, SL7 2DH

### Not much use as defenders

From Mr K M R Price.

Sir, Hugh Dickinson's article on the royal title of defender of the faith reveals a slight misunderstanding of the relevant history (Truth of the Matter, July 9/10). Neither Henry VIII nor the next 10 sovereigns made the slightest use of it. It was resurrected by the politi-

cians in support of George I and the protestant succession, Any continuity which fid def or its variants, gives to the currency stretches back only to K M R Price. Shepherds Barn, Shelfield, Alcester,

Warwickshire B49 6JW

# Sir. In his article "Innovation

per cent of their sales.

The fact thet worldwide gov to invest in it sufficiently. I fear for the future of UK

industry if we carry on as we are: we have many companies bent on short-term returns and ignoring investment in new technology, and at the same time, we have government pol-JEMI UK.

Harrods Bank independently managed, but owned by the store Since 1991 the bank has been publication in 1990 of the European Court of Human

From Mr Michael Cole. Sir, Harrods Bank is and always has been owned by the department store, Harrods Limited, contrary to your report of July 12 ("Harrods" new bank manager").

independently managed through a trustee, Law Debenture Trust Corporation, but has continued to offer a full banking service to our custom-

Department of Trade and Industry report into the takeover of the House of Fraser. the validity of which we have never accepted and which we ers. The change followed the i are challenging before the

# Hartstone £71m | Kazakhs in the red and calls for £30m

written by Schroders.

level, but due to the write-

Turnover from continuing

businesses rose by 6.5 per cent to £239.4m, although total turn-

over fell to £368.9m (£370.3m).

of which £50.9m represented

the write-off of goodwill after

the year to March 1995, but it

In addition, it has just signed

an agreement enabling Gran-

ada to set up diners at its 23

motorway service stations

under Pelican's Rock Island

Diner brand name. Pelican will

receive a share of turnover,

and the first restaurant, in

Tamworth, Staffordshire,

should open at the end of July.

slightly to 16 per cent, but Mr

Pelican aimed to maintain

margins, and use the improved

cost efficiency of the enlarged

group to boost the restaurants'

During the current year Mr Myers said Pelican would focus

on completing the expansion of

the Café Rouge and Dome

competitiveness.

Operating margins improved

loss of £9.86m.

The group's core businesses

Hartstone, the struggling hosiery and handbags group, yesterday launched a £30.3m rescue rights issue, after revealing a pre-tax loss of £70.7m for the year ended March 31

The rights issue was long expected, as Hartstone had committed to repay £15m to its principal creditors by October, but the stock market reacted badly to the level of discount for the new shares. Hartstone's shares closed 10p lower at 22p.

The company's problems stemmed from its aggressive expansion into Europe just before the recession set in. It purchased 20 companies in a four year period, but failed to establish adequate financing and management controls.

Hartstone has been forced into a programme of asset disposals, under Mr Shaun Dowling, chairman, who was appointed in May 1993 to keep the company afloat.

The rights issue is designed to shore up the group's tatits gearing levels to within the permitted maximum level under its articles of association, and pay down its princi-

Mr Dowling said: "The rights issue will put the group on a stronger financial footing for the future and will allow the team to devote its attention to the development of the group's core businesses". This is primarily its leatherware busi-

Hartstone is offering 215.6m new shares at 15p on a 2-for-1 basis. The issue is fully under-

Pelican Group, the highly

acquisitive USM-quoted restau-

rant operator, yesterday revealed a close to threefold

increase in pre-tax profits from

£908,000 to £2.51m for the year

marily from the rapid expan-

sion of the Cafe Rouge chain.

within Greater London. Four

more sites are currently under

development and others are

Pelican also benefited from

the acquisitions of three other

chains last year, Yankee Noo-die, Jim Thompsons Spice

Island Trading, and US restau-

rant operator Café Tu Tu

Tango. Overall, Pelican now

operates 47 restaurants, com-

pared with just 15 in May 1993.

in the year to £16.47m (£8.08m).

and it will show substantial

growth in the current year fol-

lowing the £11.5m acquisition last April of 16 restaurants

from Forte, including the

Turnover more than doubled

Organic growth came pri-

to March 31.

under negotiation.

Pelican achieves near

threefold rise to £2.5m

# celebrate in style

By Kenneth Gooding in Auezov, Kazakhstan.

Of the £30.3m proceeds, £15m will be repaid to creditors, and \$13.1m will provide working capital. Charterhouse Bank two public holidays were has an option to utilise \$2.2m brought forward so that of a term loan to subscribe for rights shares. At the year end, the com-pany had net borrowings of 262.6m with 23 banks. This was "pour" from the new substantially below the 1998

down of assets gearing increased to 310 per cent. After the rights issue, gearing will fall to 63 per cent, with net debt of £31.8m. Hartstone remained profitable at the operating level last year, and its problems stemmed from its disposal pro-gramme and the extent of its es' milk.

And looking slightly incongruous in this setting were about 50 visitors from wrestling and other more

of Etienne Aigner and Michael Stevens in its leatherware divithrough the night. sion and Spanish hosiery subsidiary Aznar all remained and analysts are here to highly profitable, and total operating profit before extraor-Bakyrchik gold mine. In the past year £11.5m has been provided towards the first dinary items and interest amounted to £11.7m (£16.7m). Last time there was a pre-tax joint venture in the gold Hartstone paid £10.9m company and this newly

(£7.9m) of interest. Exceptional losses came to £71.5m (£18.7m), tha Soviet Union. The money was raised by Bakyrchik Gold, a company listed in London which has The company is proposing to pay a final dividend of 0.32p for 40 per cent of the joint venture. Some of the proceeds have been used to raise annual will not pay a dividend for 1993-94. Losses per share amounted to 68.2p (12.4p). gold output from the mine to 45,000 ounces but also for a feasibility study to see if modern mining and processing

> 275,000 ounces. Although it promises much - it is on one of the world's biggest gold deposits with resources of 8.5m ounces conditions underground at the mine are extremely

process and contains arsenic. The feasibility study shows the problems can be overcome. ore the year end Bakyrchik Gold is to go ahead with plans to lift production at a cost of \$125m (£82.2m). Mr David Hooker, the chairman, says most of the money will be because debt offered by banks would be expensive and the

Mr Nursultan Nazerbayev, president of Kazakhstan, was expected to host a conference for the London investors last night to stress his personal interest in the project.

chains in Greater London. He wants it to succeed as Next year it plans to take its first steps in expanding beyond the M25, moving into southern Pelican is proposing to lift wants more foreign the single final dividend by 14 investment in Kazakhstan, per cent to 1.25p (1.1p). Earnings per share rose by 22.5 per cent to 4.9p (4p). The shares closed 2p higher endowed with natural

# gold rush

Even by the demanding standards of the international mining industry, this has been a great party. Not one, but everyone in Auezov, a frontier town of 6,000 people, could brate in style the first gold ent plant at the

Out on Kazakhstan's north eastern steppes, 1,000 kms from the capital Almaty, in yurts – the felt tents used by central Asian nomads – about 200 Kazakh VIP's including several ministers, dined on local delicacies such as boiled sheep heads and fermented

Bakyrchik mine.

the City of London, watching exotic entertainments lasting

The London-based investors independent former part of

methods could boost Bakyrchik's production to

difficult. The ore is hard to

terms onerous.

Kazakhstan needs to increase gold production to provide backing for its fledgling currency, the tenge. He also a country as vast as western Europe, stretching between Russia and China and richly

# Enough to give a one-legged stork an ulcer

Paul Abrahams on the problems for Glaxo as it faces an end to 15 years of growth

roads. During the 1980s the company was headed in one direction forwards.

Its pre-tax profits galloped from £66m in 1980 to £1.67bn in 1993, as a pharmaceutical also-ran was transformed into Europe's biggest drugs group. Growth was based on the philosophy of discovering novel medicines, proving they were safe and effective, and then convincing as many doctors as possible to prescribe

It was a philosophy no differ-ent from that adopted by other drugs groups - Glaxo was just very good at implementing it. The problem for Glaxo now is that its formula may no lon-

ger guarantee succe The relevance of the group's strategy has been thrown into doubt by the rapid deceleration in the world drugs market, where, according to IMS International, growth has slowed from 11 per cent in 1990 to 7 per cent last year. Glaxo must now show it can

adapt to this new lower-growth But, so far, Sir Richard

Sykes, chief executive, appears to have been left stuck on the starting block. Since July last year, four of Sir Richard's rivals, Merck and

Eli Lilly of the US, SmithKline Beecham, the Anglo-American group, and Roche of Switzerland, have spent more than \$18bn (£11.8bn) on acquisitions in an effort to position themselves in the new environment. All the deals were designed to strengthen the groups' respective strategic positions. But the methods used to achieve this aim were very dif-

Roche's \$5.3bn purchase of Syntex was a classic borizontal acquisition, giving the Swiss company greater weight in the US and expanding its product range in its traditional areas. Merck's acquisition of the US distribution group Medco last July was, by contrast, truly revolutionary. It introduced

the concept of vertical integra-

tion to the pharmaceuticals Medco is one of a number of the increasingly important pharmaceutical benefit management companies. PBMs control drugs spending through a variety of means, but, most importantly, through negotiating discounts and creating formularies which limit the

laxo is at the cross- medicines doctors can pre-

Dr Roy Vagelos, Merck's chairman, claimed the deal would remodel not only Merck. but also the entire industry. In part, this was because it would allow Merck to supply more of its products to Medco's patients. More importantly, it would permit Merck to collect data about the cost-effectiveness of its treatments - a vital factor in an increasingly costconscious health environment. Dr Vagelos' counterparts at SmithKline Beecham and Eli Lilly were sufficiently impressed by this strategy to acquire the remaining two sig-

preventing Glazo from follow-ing a similar route. At Glaxo, Sir Richard's apparent paralysis is all the more perplexing because the company's immediate problems seem so acute. Salomon Brothers are pre-

nificant PBMs, so effectively

dicting that the group's profits will fall in 1996 and 1997 ending 15 years of unbroken The main reason for this pos-

sales last financial year of

Glaxo has effectively become a one-legged stork, in the same way that Roche became dependent on Valium during the

In the old environment, Glaxo's dependency on Zantac would not have mattered. Zantac and its revenues would probably have been secure until its US patents expired in 2002. Now, threats to the drug in the US are legion, and the net effect is that some analysts believe its sales could peak this

Richard and his team now appear ready to consider possible strategic changes.

understood to have wanted to acquire another pharmaceuticals company, an ambition that in part led to boardroom disagreement and Mr Mario's departure in March last year. The man perceived to be most World pharmaceutical market growth Major European markets (27% of the world)

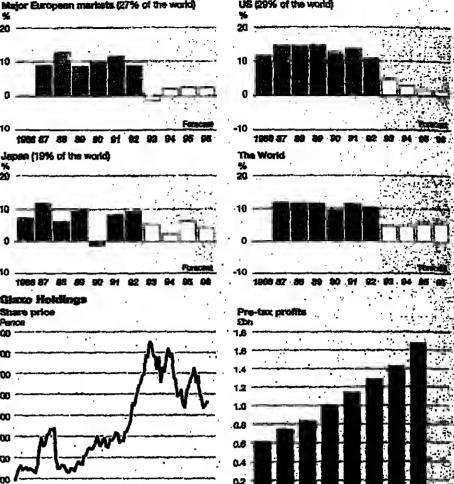
sible profits fall is the gloomy prospects for Zantac, the world's top-selling drug, with

Zantac's very success has made the whole group vulnerable. Glaxo is dependent on Zantac for 44 per cent of group sales and probably more than 50 per cent of profits.

Faced with this threat, Sir

This conclusion has taken time. Mr Ernest Mario, Sir Richard's predecessor, is

opposed to a strategy change,



Sir Paul Gioriami, the chairman, is leaving the company In Sentember

1986 87 88 69

90 81 82 83 94

However, while the need to change has been recognised, the range of options available is wide. They include: Acquiring a PBM. This strategy has effectively been scuppered by the purchase of the three most important PBMs by Merck, SmithKline Beecham, and Eli Lilly. In any case, most analysts argue that such a move would not be a sensible one for Glaxo. The company's chances of significantly increasing its share in the therapeutic areas where it is already market leader remain poor, and would cer-

tainly not be worth the required investmen Buying another drugs company. Sir Richard could use his cash mountain of more than

£2.2bn to help fund the purchase of a smaller company. active in areas where Glaxo does not have a presence. Glazo could absorb the other company's sales and reduce Whatever direction Sir Richthe combined group's dependence on Zantac while cutting R&D and marketing overheads. Setting up strategic alli-ances with health management organisations in specific disease areas. These organisations

treatments. Cost cutting. Some analysts are concerned that Glaxo's private medium-term market growth forecasts remain too high. Glaxo, with its outstanding product pipeline, expects to

The company could rational-

outperform the market.

pay for all healthcare costs for

could provide Glaxo with data

on the effectiveness of various

mbers for a set fee. They

ise its US sales force. But if management has overestimated its future sales growth, the group could be forced to make befty restructuring pro-

ard and his team pick, there remain questions over the management's ability to implement change.

successfully focused on research, development and marketing. It remains unclear whether the company, accustomed only to growth, can cut deals and costs. One option Sir Richard cannot afford is to stay stationary.

The environment, particularly in the US, is changing too fast for continued inactivity. The sign-posts are easy to read; choosing which one to follow is more difficult.

## ASH ahead 19% but interim omitted

Automated Security (Holdings), the international electronic security systems company, yesterday revealed a 19 per cent increase in interim pre-tax profits, but announced that it would not pay an interim dividend.

This follows a furore over the 1993 interim dividend, which was paid in scrip form, but was not adjusted when the shares dropped after a profits warning. The company said 64 per

increase its interest to 100 per

Investment Company

Net assets per share of the Investment Company grew by 13 per cent from 44.8p to 50.8p

in the year to March 31 1994.

After-tax revenue advanced

from £808,338 to £868,241 and

earnings per share came to

3.13p (2.91p). The final dividend

is again 1p for an unchanged

Moorgate Inv Trust

Moorgate Investment Trust

reported net asset valoe per

share up from 140.1p to 162.1p

The rise of 15.7 per cent was lower than the 17.6 per cent

increase by the benchmark

Hoare Govett Smaller Compa-nies Index. However the FT-SE

below benchmarks

over the year to May 31.

total of 1.5p.

net assets increase

cent after five years.

cent of its shareholders held American Depositary Receipts, and preferred cash to be reinvested in the company, but a new dividend policy would be developed during the year. ASH's pre-tax profits for the

six months to May 31 amounted to £5.79m (£4.86m). ASH Europe, primarily the group's UK operations, remained the main engine for growth, with revenue increasing 12 per cent to £59.4m, and operating profits up 5 per cent at £10.1m.

Overall, group turnover amounted to £81.6m (£78.2m),

while operating profits fell marginally to £11.79m. ASH is launching a second The US business has suffered generation TVX system next

He said yesterday that the group raised

£192.3m last year from divestments of non-

strategic businesses, including Thorn

Lighting and its majority interest in

businesses in Thorn Electronics were con-

tinuing.
Sir Colin said that once buyers had been

found for these, the group's divestment programme would be complete.

The chairman also said that Thorn had

fell by 26 per cent to 214.3p

over the six months to June 30,

against 290p at the end of 1993.

£1.45m to £1.61m largely

reflecting a substantial

increase in management fees

earned by the trust's 53 per

cent investment management

offshoot. This was unlikely to

be repeated in the second half.

Earnings per income share

Net revenue increased from

Discussions on the sale of the remaining

Thames Television.

cent increase in the second

from a recession-hit Califor-nian market, with turnover risreduce costs for its successful ing only 0.1 per cent to £22.2m. alarm verification units. Operating profits fell by 8 per cent to £3.63m, reflecting an The latest figures were adjusted for the restructuring increased depreciation charge of the company's \$54m (£35.5m) at its API subsidiary. of stapled units, which have However, US sales are recov-

been replaced with a \$55m placement of debt.

Previously, interest charges
on this debt had been
accounted for as minority ering, and showed a 21 per

interests, but £2m (£2.2m) was charged as interest in the latest interim profits. Earnings per amounted to 3p (2.1p).

### Huntingdon may sell two businesses

By David Wighton

Huntingdon International, the life sciences group, is investigating the sale of its UK-based consultancy, Travers Morgan, and its engineering and envionmental services business in

In May the group announced that it proposed to focus on its life science business having concluded that the other divisions did not have the earnings prospects originally envisaged. They were built up by acquisition in the late 1980s by Mr Bennie Wooley, the chief executive, who resigned two

The group called in Kleinwort Benson, the merchant bank, to help it identify strategies for the businesses and is now considering the options proposed. Yesterday the company said

that it was "investigating with Kleinwort Benson the possible sale of one or both businesses. In the meantime, the management of those businesses together with Huntingdon will take all necessary actions to optimise performance and ensure clients continue to be serviced at the highest standards." Travers Morgan is an inter-

national consulting firm specialising in engineering, man-agement, transport and environment. Its profits fell from £1.23m to £343,000 in the six months to March.

The US businesses recorded the first half.

### Waterhouse chief goes to Charterhouse

Mr Howard Hyman, head of corporate finance at Price Waterhouse, the UK's fifth largest accountancy firm, is to become managing director of Charterhouse, the merchant

bank. The move will come as a blow to Price Waterhouse, which was planning to announce Mr Hyman's appointment as world head of corporate finance later this

90 per cent of its ownership of Charterhouse at a loss earlier this year, with the stakes going to Credit Commercial de France and Berliner Handels and Frankfurter Bank.

Royal Bank of Scotland sold

Mr Hyman, who is 44, will also become deputy chairman of Charterhouse Bank, the company's banking subsidiary. He will be responsible for

narketing and business devel opment strategy, and the development of its European corporate finance network. He has spent the last few years building up Price Waterhouse's pan-European corpo-

He said negotiations for the move had started relatively recently and that he had been offered "a very attractive" remuneration package.
"My main aim is to build up

the European side," he said.

### **Cardiff** Property bid unconditional

Cardiff Property's revised offer for First Choice Estates has been declared unconditional, after acceptances were received in respect of 4.89m ordinary (65.17 per cent) and 722 A ordinary (66.67 per

To date, First Choice share-holders holding 31.64 per cent of the ordinary and 23.83 per cent of the A ordinary have elected for the part cash alternative.

This election has been Mancial Time: extended for a further 21 days until August 4.

### PROFIT UP

**INCREASED DIVIDEND** Extracts from the statement by the Chairman,

Mr. A. R. Perry. Revenue profit before tax rose from

- £8.7 million to £11.7 million. ■ Investment rents up from £19.6 million to £20.8 million.
- Further lettings at Chineham and Altrincham.
- Several well let properties acquired. ■ Australian extension completed and 98% let. ■ New highways under construction on Florida
- Group property investments up from £235 million to £274 million.
- No off balance sheet financing. All interest written off against revenue.
- Net asset value rose from £1.42 to £1.68 ■ Total dividend increased from 4.125p to

Results for the year	r ended .	31 March	1994
	2'0003	1994	1993
Total rents receivable		20,892	19,881
Net property income		19,162	18,630
Revenue profit before tex		11,734	8,665

196,625

4.625p

162,519

4.125p

Choics of the full statement may be obtained from G. H. Caines, Managing Director, PSIT pic. Fetcham Park House, Lower Road, Fetcham, Sorrey, KT22 9HD.

Shareholders' funds

Ordinary dividend per share

# No Thorn EMI demerger yet

Industries Correspondent

Quadrant

makes flight

training buy

Quadrant Group, the

photographic and video con-

cern, is expanding its aircraft

Through Quadrant Systems,

its 80 per cent owned offshoot,

it is acquiring for £1.43m from

Ceselsa of Spain the flight

training business of Aeronauti-

cal Systems Designers, based

The company is also setting up a joint marketing activity

with Binghamton Simulator of

the US involving the sale of

the US company's aircraft training systems in the UK, the

Quadrant Systems is a new

company, 20 per cent of which is owned by its management.

which has subscribed £150,000

for its interest. Quadrant can

middle east and east Asia.

training activities.

in West Sussex.

Shares in Thorn EMI fell by 9p to 1065p yesterday as Sir Colin Southgate, the chairman, dismissed reports that the music and rentals group was about to be

demerged.
Sir Colin told the group's annual meeting that the current group structure was a positive advantage and added significant

Speculation that a demerger announce ment was close had helped lift Thorn's shares from 1039p on Monday morning to 1074p on Thursday.

Sir Colin suggested that the board would not return to the demerger question

for a year. He said: "As a board, we review the roup strategy once a year. I am able to tell you that at our recent strategy review held over the past two days - the board did analyse, in great detail, the strategic options for the business. The immediate challenge is to capitalise on the excellent prospects which now exist for our busi-

The speculation that Thorn would be solit into two companies - one centred on music and one on rentals - arose because the group appeared close to completing its

disposals programme.

Sir Colin has said in the past that the

signed a letter of intent to increase its holding in Toshiba-EMI, its joint music venture in Japan. Under the agreement, Thorn's stake in the venture would rise time to discuss demerger would be when Thorn had sold the businesses it no longer from 50 to 55 per cent. **NEWS DIGEST** 

> SmallCap Index showed a rise of 16.2 per cent. Net revenue for the year slipped to £1.41m (£1.43m) for earnings per share of 4.98p (5.09p). A lower final dividend of 2.55p is proposed for a total

General Consol net assets fall

of 4.25p (5.5p).

Net assets per share of General Consolidated Investment Trust

were 4.45p (4.01p). An unchanged interim dividend of 3.9p has been declared.

DIVIDENDS AN	NUUK	CEU			
	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Amicable Smallint	1.7	Oct 7	1.7	-	3.4
Autometed Secint	U)	•	3.05		3.05
Flem American TsInt	0.4	Aug 30	0.85		1.5
Gen Considint	3.9	Oct 3	3.9		8.71
Hartstonefin	nii	-	nā.	nil	2.8
investment Co	1	Sept 19	1	1.5	1.5
Moorgate Inv Tstfin	2.55	Sept 6	3.8	4.25	5.5
Pelican §fin	1.25†	Sept 9	1.1	1.25	1.1

Dividends shown pence per stere net except where otherwise stated. (On increased capital, SUSM stock.

Lilly med

# INTERNATIONAL COMPANIES AND FINANCE US West set to enter cable lift Texas | Strong sales | Telefónica, however, denied reports that GTE of the US had acquired a stake of up to 30 per latin America and Asia. Until lest mouth, Telefónica sour ever denied reports that GTE of the US had acquired a stake of up to 30 per latin America and Asia. Until lest mouth, Telefónica sour ever the US securit in Tisa. "We are talking to believes Telefónica lowever denied unaligned in the latin reports that GTE of the US had acquired a stake of up to 30 per latin America and security that GTE of the US had acquired a stake of up to 30 per latin America and Asia. Until lest mouth, Telefónica lowever, denied reports that GTE of the US had acquired a stake of up to 30 per latin America and Asia. Until lest mouth, Telefónica lowever, denied reports that GTE of the US had acquired a stake of up to 30 per latin America and Asia. Until lest mouth, Telefónica lowever, denied reports that GTE of the US had acquired a stake of up to 30 per latin America and Asia. Until lest mouth, Telefónica lowever, denied reports that GTE of the US had acquired a stake of up to 30 per latin America and Asia. Until lest mouth, Telefónica lowever, denied reports that GTE of the US had acquired a stake of up to 30 per latin America and Asia. Until lest mouth, Telefónica lowever, denied reports that GTE of the US had acquired a stake of up to 30 per latin America and Asia. Until lest mouth, Telefónica lowever, denied reports that GTE of the US had acquired a stake of up to 30 per latin America and Asia. Until lest mouth, Telefónica lowever, denied reports that GTE of the US had acquired a stake of up to 30 per latin America and Asia. Until lest mouth, Telefónica lowever, denied reports that GTE of the US had acquired a stake of up to 30 per latin America and Asia. Until lest mouth a stake of up to 30 per latin America

in New York

MEN W. . . .

US West, one of the six US regional telephone companies, yesterday appeared poised to become the first Baby Bell to enter the US cable television business, after agreeing to buy two Atlanta based cable systems for \$1.20n in cash and shares.

It has agreed to buy Wom-etco and Georgia Cable Television from the privately-held Robert M. Bass group, and plans to use them to provide 466,000 households in metropolitan Atlanta with interactive information and entertainment

US West said the price it was paying - \$490m in US West stock, \$160m in assumption of stock, \$160m in assumption debt, and the balance in cash —

quarter cashflow.

The acquisition comes amid a whiriwind of activity by US media groups, as they scramble for positions in the fastdeveloping US communications

industry. Earlier this week, Comcast, one of the biggest US cable television companies, overthrew a planned merger between QVC, the home-shopping channel, and CBS, the broadcast television network. by launching its own \$2.2bn hid for QVC.

Yesterdsy's agreement marks the third attempt by s Baby Bell to move into the cable television business. Bell Atlantic tried to take over Tele-Communications Inc.

and Southwestern Bell had debt, and the balance in cash - planned a joint venture with was equivalent to 11.1 times Cox Enterprises, but both deals

collapsed earlier this year. Two weeks ago Bell Atlantic

won regulatory approval for an alternative strategy: competing head-on with cable talevision companies by providing interactive television services over its telephone wires.

US West has already entered the cable television industry in the UK, where it has a joint venture with Tele-Communications Inc which provides cable and telephone services in 16 owned and eight affiliated franchise areas.

In the US, US West has a 25.51 per cent stake in Time Warner Entertainment the cable-television division of the Tims Warner media group.

The two are working in partnership to speed development of so-called full service

operations were \$292m, up from \$172m, while net income was \$184m, or \$1.93 a share, compared with \$112m, or \$1.18, last time. TI said its second-quarter

revences and earnings were boosted by its semiconductor operations, the company's largest business. Semiconductor revenues increased by 29 per cent over the same period last year, TI

to \$2.5bn

Texas Instruments, the US

semiconductor and electronics

manufacturer, reported record

second-quarter results, driven

by strong sales of samiconduc-

Earnings were above Wall

Street expectations, but atten-tion focused on TI's prediction

that growth in the world semi-

conductor market will "moder-

ate somewhat" in the second

Its shares fell sharply to

\$83% at mid-session, down from Thursday's close of \$86%.

Net revenues for the quarter were \$2.5bn, up 19 per cent from \$2.1bn in the same period

last year. Profits from

By Louise Kehoe

In San Francisco

half of the year.

said, with strong growth in memory chip revenues.

Ti also noted double-digit

growth in sales of applicationspecific and mixed-signal semiconductor products. "Forces driving the longer

term growth of the world [semiconductor] market remain intact," TI said. "The Asia-Pacific region continues to be the fastest growing semiconductor market in the world." Ti is expanding its resources to Asia to meet a rapidly expanding customer base, the company said. For the half-year, revenues

were \$4.96bn, up 24 per cent from \$8.99bn in the first half of 1993. Net income was \$318m, or \$3.35 a share, compared with \$192m, or \$2.04. The first-half results include

a first-quarter \$132m pre-tax charge for costs of restructuring TI's European operations and the sale of some computer product lines. The charges were partly offset by a one-time gain of \$69m from roy-

telecommunications operator, is negotiating the sale of a minority stake in Telefónica Internacional (Tisa), the profitable holding company that groups its substantial Latin American assets. The deal is likely to be worth hundreds of millions of dollars.

A stake in Tisa, which raised first-quarter profits by 89 per cent to Ptas.8hn (\$30.8m) and has a market capitalisation of between \$6bn-\$7bn, is an attractive proposition to leading US operators because of its Latin American holdings. Tisa groups stakes in 20

South and Central American companies, including local and long-distance operators and data transmission and mobile telephone companies. It is the largest single telecoms group in the fast-growing Latin GTE and to others about alliances [in Latin America] .. but no agreement has been formalised," the company said.

In addition to GTE, Telefonica is understood to be discussing the sale of Tisa equity with three other groups: AT&T, the largest US operator; Southwestern Bell, a regional US operator, and Unisource, a joint venture between the Dutch, Swedish and Swiss national operators, in which Telefónica itself is to buy a 25 per cent stake.

The negotiations come at a critical stage in the formation of international telecoms alliances. US and European operators are manoeuvring to become "one-stop" providers to multinationals through such groupings, in order to exploit the rapid opening of telecoms services to competition in

international struggle, while strongly resisting the early introduction of competition within Spain.

It appeared to have been successful last year, with the European Union's decision to grant Spain a five-year extension to the 1998 deadline for competition in basic telephone services which was imposed on most of the rest of the EU.

However, last year's \$5.3bn alliance between British Telecommunications and MCI, the second-largest US operator, and the launch of AT&T's ture, left Telefonica feeling exposed. Earlier this month it joined Unisource, which at the same time forged a partnership with AT&T.

The Spanish government also agreed to waive its fiveyear extension on the 1998

Mr Bill Coleman, analyst at James Capel, the UK securities house, believes Telefónica, which owns 76.2 per cent of Tisa, is considering the sale of up to 10 per cent of Tisa via an issue of new equity which

could raise between \$600m and A second route into Tisa for potential strategic partners could also be opened through the possible disposal by the Patrimonio del Estado, the government's portfolio group, of the 23.5 per cent stake it holds

in the company. A decision is expected shortly. The Patrimonio could either float its Tisa equity or sell it directly to one or more of the operators that are talking to Telefonica.

Either way, the Patrimonio, which is also Telefonica's largest single shareholder with a 32.2 per cent stake, stands to raise some \$1.5bn.

### Eli Lilly net steady at \$346m

By Richard Tomkins

Eli Lilly, the US drug company that earlier this week announced the \$4bn acquisition of PCS, a drug distributor, yesterday reported almost unchanged net profits of \$346.6m for its second quarter. It blamed the lack of growth on several factors including

increased spending on research

surged by 11 per cent, both in the US market and internation-

ally, mainly because of increased sales of products such as Prozac. Axid and Humalin. Turnover, however, grew by 8 per cent to \$1.68bn because volume growth was higher manufacturing costs, partly offset by lower prices in the pharmaceutical division. and development, and a special Worldwide, Eli Lilly said, to the previous quarter's competitive pressures were particularly svident in anti-

recall of three liquid oral antiinfectives sales In the IIS lower prices resulted from The volume of products sold increased Medicaid rebates and greater participation in managed-care programmes.

The \$10m special charge was in addition to the \$56m charge already provided for the product recall in the first quarter. Net income was barely changed from the comparable quarter's \$346.8m. Earnings per share were up slightly, to \$1.20 from \$1.18. For the half-year, net income was down 5 per

### Hoechst says it may close plants

Hoechst, the German chemicals company, said yes-terday it might close plants in the drive to return its west European fibres sector to profit

by the end of 1995. There were no immediate plans for closures, but the company's west European fibres operations lost between DM200m·DM300m (\$123m-\$184m) last year, said Mr Hans Udo Wenzel, appointed a week ago as managing director of Hoechst Trevira, the fibres

Hoechst Trevira, a new company which will employ 5,000, is the result of a decision by the parent company to concen-trate its European fibre business into a wholly-owned but separate company. It will start operations on October 1.

It was created as a response to "structural problems in western European fibres, textile and clothing industries. Traditional suppliers are facing increasing pressure on prices and cheap imports from Asia and eastern Europe," said the company. Earlier this year Hoechst

said it would cut 2,000 jobs in the fibres sector and introduce performance related pay. Mr Wenzel said be could not rule out further job cuts to put

the fibre business back on track by the end of 1995. • Environmental operating costs in Germany in 1993 at Bayer were \$816.2m, not \$81.62m as published in a table in the Chemicals in the Environment survey (June 30). The figure in the total spending column should have read \$1,102.17m and in the percentage of sales column, 4.45 per

### NEC aims for Y200bn profits

By Michłyo Nakemoto in Tokyo

NEC, the Japanese electronics company, is aiming to increase pre-tax profits to more than Y200bn (\$1.9bn) by 1999, or eight times last year's level. It also intends to raise overseas sales to 40 per cent of total revenues over the same period. The profits target would top NEC's previous record of Y174bn, achieved in 1990. In the fiscal year ended March,

the group made consolidated pre-tax profits of Y25.1bn and is forecasting profits of Y60bn in the year to next March. The proportion of overseas sales targeted would also be a

record for NEC, which cur-

rently derives about 24 per Sibn, the company said. cent of sales overseas. In a speech commemorating

the company's 95th anniver-sary, Mr Hisashi Kaneko, NEC's new president, outlined the strategy for achieving those goals. While restructuring and costcutting will contribute to the

increased profits, Mr Kaneko

expects new businesses, particularly in multimedia, to be s significant contributor to profitability. The company is a leader in

advanced multimedia technologies, such as screen technologies, and its business centred on monitors for workstations is already worth more than

To achieve its goal of becoming a front-runner in multimetha. NEC plans to create an "internal information highway". It will also place more emphasis on services and software, such as systems solutions, application software and global information services, along the lines of Internet.

Mr Kaneko said the marketing framework needed to be revamped to create a structure more responsive to consumers' needs.

As markets become increasingly global, NEC expects overseas sales to make up a larger proportion of overall sales. By next March, for example, more



Hisashi Kaneko: more emphasis on services

11m 4-megabit D-Ram chips outside of Japan,

### Sanyo Electric ahead despite 'difficult' market

**FINANCIAL TIMES** 

By Gerard Baker in Tokyo

Sanyo Electric, the Japanese electronics manufacturer, reported higher sales and profits for the half-year to the end of May, but warned that the domestic environment remained difficult

The parent company reported pre-tax profits higher by 213 per cent at Y6.8bn (\$66m) on turnover up by 0.6

per cent at Y503.9bn. However, Sanyo said weak demand for domestic capital investment. sluggish personal consumption growth, and the sharp appreciation of the yen had combined to make trading conditions difficult.

The company has reported an operating loss for the past two years, and in the first six months of the year, the operating figure was again in the red at Y5.8bn, against last year's Y12.6bn, Profits on stock sales of Y9.3bn accounted for the profits at the pre-tax level. Domestic turnover was higher by 2.6 per cent at Y342.8bn due largely to strong sales of semiconductors, colour televisions and commercial

refrigerator display cases. Exports fell by 3.4 per cent to Y161.1bn as the company shifted production overseas.

The growing strength of the US and south-east Asian economies helped bolster exports, but European markets remained stagnant.

Group pre-tax profits rose by 195 per cent to Y7.8bn on turnover up 4.8 per cent at Y767.5bn After tax, the group reported a profit of Y1.4bn, compared

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same period last year.

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118.0c 37,750 13.74m 263.50c Unq. 119.22p 98.45p 70,45p

\$297.3 \$268.8 £303.0

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### WEEK IN THE MARKETS Coffee trade stays on frost alert

London coffee traders proved reluctant yesterday to leave themselves exposed to the possibility, however remote, of a third damaging frost hitting Brazilian growing areas this weekend. Having followed New York lower in early trading, the market gradually clawed back losses and by the close at the London Commodity Exchange September delivery robusta futures were quoted at \$3,830 a tonne, up \$24 on the day. That was \$255 below Wednesday's 8%-year peak but still \$760 up on the week.

Weather forecasters saw little prospect of a repeat of last weekend's Brazilian frost, which, together with the one that hit two weeks early, is expected by some analysts to cut the country's 1995-96 coffee crop to below 15m bags (60kg each) from the 25m forecast previously. But traders were taking no chances, especially as next week will bring a new moon, which is often associated with frosty weather.

The retreat from the highs had been heavily influenced by technical considerations -Monday's opening leap left a huge "gap" in the charts – but it was also encouraged by expectations, later confirmed, that the Brazilian government was about to reopen export registrations, which had been closed while it assessed the

extent of the frost damage. The cocoa market has been very much in coffee's shadow of late, but the £1,073 a tonne reached by the second futures position yesterday was the highest since it hit a 64-year peak of £1,085 in May. And it would certainly have exceeded that level had in not been for the slide in the value of the dollar since then, which has held back London's sterling-denominated cocoa prices. The price finished at £1,066 a tonne, up £50 on the week.

At the London Metal Exchange prices were gener-

ally modestly higher on the week, with overhead resistance frustrating attempts by the copper and aluminium markets to move into higher ranges.

Copper's three months delivery price was forced to retreat once again from the \$2,500-atonne barrier yesterday after meeting profit-taking and liquidation selling. It closed at \$2,483.75 a tonne, up \$16.25 on the week.

Meanwhile the three months aluminium price, having flirted with its near-term target of \$1,550 a tonne, a 39-month high, settled back to \$1,544.50, up \$5 overall.

The earlier rises in these metals had been encouraged by news of further drawdowns from their LME warehouse stocks. Aluminium's 11.625tonne fall was the ninth in succession and took the total to 86,550 below its record level of

LME WAREHOUS (As at Thursday's formes		
Aluminium	-11.625	to 2,571,125
Aluminium zikiy	-420	to 28,180
Copper	-3,425	to 342,125
Lead	-175	to 355,200
Mickel	-54	to 132,948
Zinc	+3,425	to 1,201,050
Tin	+236	to 30,905

rise, but overall above \$1, \$1,008.50 peak but

The go technical and fundamental factors tion

### **WEEKLY PRICE CHANGES**

	Latest	Latest Change Y		1994	
	prices	on wreak	<b>890</b>	High	Low
Gold per troy oz.	\$385.20	+1.80	\$383,50	\$398.60	\$369,50
Silver per troy oz	335.30p	-4.20	339,850	384,500	335.30p
Aluminium 99,7% (cush)	\$1529,50	+7	\$1186.5	\$1529,60	\$1107.50
Copper Grade A (cash)	\$2471.00	+22.5	\$1814.0	\$2471,00	\$1731,50
Lead (cash)	\$592.00	+10.5	\$391.50	\$546.5	\$426.0
Mickel (cash)	\$6375.00	+192.5	\$5010.0	\$8490	\$5210.0
Zinc SHG (cash)	\$986.00	+26.5	\$925.0	S1014	\$800.5
Tim (Cash)	\$5445	+140	\$4995.5	\$5650.0	\$4730.0
Cocoa Futures Sep	88012	+52	£767	£1068	2859
Coffee Futures Sep	\$3828	+752	\$877	\$3828	\$1175
Sugar (LDP Raw)	\$297.3	+7.8	\$253.2	\$309.4	\$252.9
Barley Futures Nov	2102.00	+0.15	£105.25	£102,00	£92.65
Wheat Futures Nov	2103.00	-0.90	2107.65	£117.50	<b>597.80</b>
Cotton Outlook A Index	80.70c	-0.75	56,100	67.10a	62,450
Wool (84s Super)	421p	-5	348p	428p	342p
Of (Brent Blend)	\$17.78x		\$16.66	\$16.05	\$13,10

wise stated p PenceAq. # Cents Ib. x Sec

### BASE METALS

LONDON METAL EXCHANGE (Prices from Arraigemented Metal Tracing)

III ALUMENSUM, 98.7 PURSTY (5 per tonne) 3 miles 1544-45 1542-3 1550/1540 1525-6 1535 1547-5-8.0 1541-2 1534,6-6.0 Karb close Open int. Total delly turnover 294,651 62,340 M ALUMINUM ALLOY (\$ per ton) 1535-40 1530-5 1545/1535 1545-50 1515-25 1510-15 Previous High/low AM Official 1523-33 Open Int. Total daily turnover III LEAD (\$ per tonne) 602-3 597-7.5 609/600 605-6 604-5 584.5-5.5 42,270 8,060

MICKEL (5 per ton		
Close	6370-80	8480-B
Previous Highliow	6290-300	6350-6 6600/640
AM Official Kerb close	6355-60	6455-57 6490-60
Open Int.	60,315	
Total daily turnover	13,061	
TIN (\$ per tonne)		
Close	5440-60	5505-10
Previous High/low	5385-75	5425-36 5515/546
AM Official Kerb sloss	5420-30	5485-90 6500-0
Open Int.	18,993	
Total daily tumover	4,264	
# 2000 special blob	crede it ner	toppet

1008-9 995-6 1017/1007 1009-10 1009-10

2483.5-4.0 2482-3 2496/2476

+235 10 30,905	Kerb closs	3-12-00
s stocks continued to	Open int. Total delly turnover  II 280C, special Hig	18,993 4,264 In grade (\$ per t
ating in the market's firmness. The three price was yesterday consolidate its break 1,000 a tonne, closing at 0, \$6.50 off the day's at \$26 up on the week.	Ciose Previous Highviow AM Official Karb close Open Int. Total daily turnover III COPPER, grade /	985.5-6.5 971.5-2.5 986 985-6 102,588 26,561 A (5 per torne)
old price rallied yester- defiance, dealers told iters news agency, of	Ciosa Previous High/low AM Official	2470.5-1.5 2466.5-7.5 2477.5 2477-7.5

s. "After support held on ursday I think a few people to were short and lacking to courage of their convic-	E LM	int. Saily turn E AM O E Closin	Miglal S		10 c: 1.568	н	
ns started buying back," one plained as the price firmed		690 3 mil					,5570
\$385.20 a troy ounce, up 90 on the week. That performance helped sil- to erase earlier losses and tinum to extend its rise. But	Jul July Sep Oct	Close 112.00 112.15 112.50 112.10	-0.15 -0.15 -0.25	112.50 112.10	111.70 112.10 112.20	697	Val 309 3 8,832 11
were outshone by palla- un, which reached a five- ar high as increased Japa-	Siev Dec Total	111.15		11210	111.00	245 9,824	2,085 11,581

That performance neither su-	- 4
ver to erase earlier losses and	A
platinum to extend its rise. But	5
all were outshone by palla-	
dium, which reached a five-	
year high as increased Japa-	1
nese physical demand coin-	
cided with a perceived tighten-	
ing of Russian supply.	F
Makani Manani	

### PRECIOUS METALS III LONDON BUILLION MARKET

′	(Prices supplied t	y N M Rothechild)	
	Gold (Tray oz.)	\$ price	, vupe ,2
	Close	385.00-385.40	
	Opening	384.70-385.10	
•	Morning fix	384,850	246.730
	Afternoon for	384,900	246,699
	Day's High	385.45-385.85	
	Day's Low .	384,50-384.90	
	Previous close	383.00-383.30	
	Loco Ldn Meur (	Gold Landing Rute	(Ve USS)
		4.06 6 months	
	2 months	_4.14 12 months	4.80
	3 months		

US INTEREST RATES

	Gold Landing Rus	M (Ve USS)	M 6382	
	4.14 12 mon			
	A.21			
×	9/tray oz. 335,30	US cas equity. 522.25	Ang Sep	
8	339.65	528.60	Oct	
5	343.65 354.20	535.20 550.30	Mary	
ine	\$ price	g equiv.	Jan	
nd	389-382	249-252	Total	
and the	906 55,308 DE			

### Precious Metals continued M GOLD COMEX (100 Trey oz.: S/trey oz.)

COMMODITIES AND BOND PRICES

	Sett	Day's charge	Made	low	Dpen.	Vol.
		-	Live Section	62 m	184	
74	363.3	.:				** ***
Ang	366.3	+2.0	366.5	384.7	70,218	21,20
Sep	387.9	-28				412
QC.	389.5	+51	389.5	387.9		
Dec	392.7	+50	392.0		34,217	
Feb	398.1	+20	395.6	3948		1,236
Total					54,535	50,497
	MUNETA	NYMEX	EQ Tr	OY OZ.	Stroy C	الغد
- Jul	418.2	+4.8	-		120	
Oct.	417.7	#4.B	419.0	413.5	18.214	
Jen .	421.3	+43	422.0	418.5	2,409	2.0
Apr	424.8	+4.3	424.0	421.0	1,865	271
Total					22,688	3,160
PA	LADIUN	NYME	X (100	Troy o	. S/00	y 22)
					4 000	371
340	148.55	+0.40	141.35	14/20	4,000	
	148.55			1420	878	
Ded		+0.15				119
Dec Liter	147.80	+0.15			878	119 S
Dec Mer Total	147.80	+0.15 +0.15	148.00	147.00	878 119 5,685	119 S
Bed Her Total M SEL	147.80	+0.15 +0.15 MEX (10	148.00	147.00	878 119 5,585 513/110	119 5 445 y 02)
Bed Wer Total III SEL	147.80 147.30 VER CO	+0.15 +0.15 MEX (10	148.00 10 Troy	147.00 cz.; Cz	878 119 5,685 540 340	119 5 445 y 02)
Sep Bed Mer Total M SEL Jul Ang Sep	147.80 147.30 VER CO	+0.15 +0.15 MEX (10	148.00 10 Troy	147.00 92.; Ca 519.0	\$75 119 \$555 503/80 340 5 79,350	118 5 445 y ozl 59 59
Bed Her Tistell III SEL Jul Ang Sep	147.80 147.30 VER CO 524.5 523.8	+0.15 +0.15 MEX (10 +7.6 +7.2	148.00 10 Troy	147.00 92.; Ca 519.0	\$75 119 \$555 540 340 5 79,350 25,070	119 5 445 y cz.)
Bed Her Total M SEL Jul Ang	147.80 147.30 VER CO 584.5 523.8 527.5	+0.15 +0.15 MEX (10 +7.8 +7.2 +7.2	148.00 10 Troy 822.0	147.00 519.0 521.5 528.0	\$75 119 \$555 503/80 340 5 79,350	119 5 445 y ozl 59 59
Bed Her Total III SEL Jul Ang Sep Dec	147.80 147.30 VER CO 524.4 527.5 534.8	+0.13 +0.15 MEX (10 +7.6 +7.2 +7.2 +7.2	148.00 10 Troy 822.0	147.00 519.0 521.5 528.0 540.5	\$75 119 \$555 540 340 5 79,350 25,070	119 S 445 y oz.) 59 18,715 2,415

Jen Mar Total	558.4 542.8	+72 +72	544.5	540.5	53 6,581 122,730	21,36
ENE	RGY					

	Lifest prior	Day's charge	High	Low	Open.	Vol
Ang	20.02	-0.18	20.40	19.63	61,453	43,216
Sep	19,57	-0.07	19.77	19.40	90,778	48,394
Oct	19.17	-0.06	19.32	12.08	43,940	11,10
How	18.84	-0.13	18.95	16.60	29,195	4,322
Dec	18.70	-0.12	14.79	18.88	40,359	
.lec	18.75	403	12.63	18.61	23,577	1,593
Total					<b>47,38</b>	117,53
-	-	PE SA	Derroit.			
-	WE CAL					
	_	Der/s			Open	
	_	_	25gb	Les	Open	Yol
	Latest. price	Day's		17.73	int	
Sep	Latest	Con's	25gb	17.73	int	11.200
Sep Oct	Latest price 17.84	Contraction -0.05	18.05 17.80	17.73	E4,328	11.200 29.84
Sep Oct Mov	17.84 17.83 17.49	Confra change -0.05 -0.05	25gb 18.05	17.33 17.54 17.41	64,328 15,910	11.200 29.843 3.894
Sep Oct	price 17.84 17.83	-0.04 -0.04 -0.04	18.05 17.80 17.81	17.33 17.54 17.41	64,328 15,910 8,722	11.200 29.84 3.89 1.19
Sep Oct Mov Dec	17.84 17.83 17.49 17.40	-0.04 -0.04 -0.04	18.05 17.80 17.81 17.48	17.33 17.54 17.41 17.35	64,328 15,910 8,722 12,035	11.200 29.843 3.894 1,195

		Day's	High	Low	<b>Open</b>	Vol
NO.	50.55	+0.06	50.80	56.00	25,901	9,961
P	51.36	-0.05	51.40	50.90	23,356	6,515
1	52.20	-0.15	52.25	51.90	10.652	1,191
	53.20	-0.10	53.70	53.00	130.9	761
C	54.05	-0.20	54.15	53.90	19,925	1,586
,	54.80	-0.20	54.60	54.50	12,141	363
					23.545	

Total	54,80	-0.20	54.60		12,141 1 <b>23,54</b> 5	
H GA	S CIL PE	\$/torn	<u> </u>			
	Sett price	Day's change	High	Low	Open	
Ang	155.50	-1,50	158.00	155.25	1,345	
Sep	158.75	-1,25	180.50	158-50	28,833	
Oct	181.75	-1.50	183.75	181,75	12,860	
Mov	163.75	-1,25	164.75	164.00	10,440	
Coc	165.50	-1.25	167.00	165.50	7.966	
Jan	166.50	-1.50	168.00	186.50	14,959	
					-	

					-	3.00
-	155.50	-1,50	158.00	155.25	1,345	5,629
	158.75	-1,25	180.50	158-50	28,833	7,373
et et	181.75	-1.50	183.75	181,75	12,860	3.805
OV	163.75	-1,25	164.75	164.00	10,440	1,051
ac .	165.50	-1.25	167.00	165.50	7.968	154
	188.50	-1.50	168.00	186.50	14,959	406
otal					85,162	13,579
NA	TURAL O	ME BAL	EX (10,	000 mm	Stra.; SAIn	mBtu 1
		Chay's change	High	Low	Open lest	Yes
		-0.047	1.978	1,925	15.799	9.065
		-0.030	2.033		13,303	5,188
	2.050	-0.022	2.070	2.045	10,474	1.545
OV	2.150	-0.017	2,156	2.150	9,964	585

	2.200	-0.007	2,275			747 20,867
UNI	EADED EX (42,10)					
	Labort	Cary's	Might	Leu	Open led.	Yes
no .	55.25	+0.35	55.25	54.30	42,095	15,705
	55.40	+0.35	55.45	54.60	23,088	7,650
4		+0.18				2,529
	52,25	-0.01	52.25	52,00	7,589	1,438
MC .	57.15	-0.16	57.25	50,75	4,157	214
-	56.86			-	1,953	28

Strice

	Setz	(key's	High	بجدا	Opez	Vol		Sett	Chenge Day's	High	Low	Open	Yol
P	102.20			107.25	405	15	Jel .	1046	+27	1040	1024	1,177	33
May May	103.00			103.00		65	Sep	1068	+41	1973	1038	16,405	
	105.00			105.00		19	Dec	1083	-40	1982	1040		
ide.	105.75			106.85		10	(day	1103	+47	1763	1060	28,064	1,067
	102.15			103.25		15	May	1111	+45	1112	1064	9,890	
May	110.50		100-22		125		14	1115	+47	1115	1072		67
icia Icta	110.50	-0.20	-		3,543	124	Total					191,898	1,501
	EAT CE	T 55.000	ושיו של	CARLES.		ushel)	M COC	COA CS	CE (10 1	onnés;	\$/tonne	6)	
M.	3130	-1/0	3120	311/4		2.500	Sep	1523	+124	1530	1405	77	32
Sep	3218	-014	327/-		103.025		Dec	1558	+119	1565		33,255	
Dec	333/6	+1/0	3344		149,765		Mar	1558	+85	1558	1480		3,010
Ner	335.4	+160	333.0	337/5		1,810	May	1578	+86	1576	1578	7,835	409
May	333/2	-119	3346	132/5		345	10	1596	+68	1560	1550	2951	
Jak .	3194	-1/0	3260	318/4	2,980	195	Sets	1615	+88		-	2,312	1
Tetal	3124	-442			291,575		Total					70,480	10 <sub>4</sub> 463
	ZE CET	5.000	ושו ושו	cents	56tb b	ahel)	M COC	OA IIC	CO) (SDI	l'a/ton			
34	236/8	-1.0	239/0		30,120		32 14			Price		free.	
Sep	2242	-1/2	225.8		273,725		Dealy			1040.61		106	.35
Dec	22372	-1/6	235/4		574,675								
_	991/4	-20	2340		91 805	5.730	10 day 3			W/			N/A

		F-1000								_			_
34	235/6	-1,0			30,120	7,660 36,370	Jul 14 Dear			Price 1040.6		Free. 106	day 4.35
Sep	2242	-1/2					owy er						
Dec	2232	-1/6			574,675					IN			N/A
427	231/6	-30			91,695		10 day :				•		
Liny	238/0	-2/3	240.0		29,190		R CO	TEE LCE	Short	ne)			
	241.6	-30	243/5	241/6	29,780 1,0534	3,040 131,215	Jai	381 5 3825	+35 +22	3790 3660			
E BA	RIEYLO	E (E oe	r tonne	ė			Sep	3833	-24	3645	3725	7.669	
		_	_			$\overline{}$	New		+23	3830			
Sep	100.30		100 60				Jen	3638				3,612	
tor	102.00	+2.45	102.00	101.75			Mar	3825	+20	3830			
in the	102.85	+0.23			26		May	3825	+15	3757	3757	884	
der .	104.00		104,60	164,00	38		Total					42,578	12
Way	106.00	+0.25	-		1	-	m co	TE C	CSCE	37,500	be; cen	(ad/ba)	
7 stal					754	34							_
<b>S</b>	YABEAN	S CRIT (	5,0000:1	min; cor	12/80% I	outel)	Jel Sep	234.75 238.85	+3.25	246.50	234,75 232,00	24,357	8,14
312	5140	+0/2	815/4	510/0	12.550	5,410	Dec	235.25	+9,00		235.25		
Aug	611/2	+3/2				53,295	Mac	235.00	+3.00		235.00		
Sec	590/0	-02			65,555		May	235.40	+8.00			1,597	
Nev	578/6	-20				137,470	40	236.40	+9.00	-		315	
lana .	563/4	-2/5			44.245		Total					42,808	10,0
100	592/0	-30		592/0	17,360	5850		TEE OCC	) (US	cente/p	bund)		
Total					847,110	229,155							

COTTON NYCE (50,000lbs;

E REUTERS (Base: 16/9/31=100)

231,60

US

Jul 15 2179.0

312	8140	+0/2	<b>8</b> 15/4	510/0	12,550	5,410	Dec	235.25		235.25	
Aug	611/2	+3/2	613/0	606/4	131,380	53,295	Mac	235.00	+3.00	235.00	2
Sep	590/0	-02	59314	589/4	65,555	8,60\$	May	235.40	+\$.00		
Nev	578/6	-20	581/4	575/4	349,725	137,470	-kd	236.40	+8.00		
Jan .	562/4	-2/6	585.0	582/4	44,245	7,705	Total				
100	599/0	-310	596/4		17,380	5650	III CO!	TEE OCC	NUS a	anta/p	ð.
Total					857,110	229,155				-	_
■ SO	YABEAN	OIL C	1,066 TE	000lps	cents/i	b)(d	Jul 14	127Y	_	Prio _ 207.5	
Jai	24,65	+0.35	24.65	24.25	1,271	730		Merage			
Acro	24.84	+0.35	24.67	24.27	20,105	6,567	M No?	PREMIU	M RAV	N SUG	A
Sep	24,80	+0.33	24.61	24.25	16,610	3.518					_
Det	24.07	+0.27	24.15	23.85	11,374	2,266	Oct	-	-		
Dec	23.75	+0.30	23.83	23.50	32,124	8,055	مط		•	-	
مجل	23.50	+0.30	23.80	23.67		370	Mar		•		
Total					93,837	20,053	Total				
<b>SQ</b>	ABEAN	MEAL	CET (1	00 tors	s Ston	1	■ WH	TE BUQ	UR LICE	(Syton	٧
.ini	183.0	-0.8	183.8	182 6	2.362	1,673	Ang				
Aug Cul	181.9	-1.2	183.2		22,801	6.584	Oct	318.00	-	318.40	
Sep	180.4	-1.5	162.0		10,333	879	Dec	315.00		\$15.00	
Oct	177,4	-2.1	179.2	177.3		717	Mac	314.00		314.00	
Dec	177.1	-21	179.3		25,192	4,382	Mary	311.50	-	311.50	
Jen	177.6	-20	179.7	177.5			Aug	308.50		306.60	3
Total	.,,,,,					18,075	Total				
	TATOES	LCE (C	(accept)				■ SUC	3AR '11'	CSCE (	112,00	n
=							Ded .	12.05	-0.35	1210	

E PO	TATOES	LCE IE	(BURNE)			
Harr	90.0					-
Mar	105.0	-	210.1	210.1		
Apr	209.3	-14.2	216.0	208.5	1020	114
May	225.0					-
,tue	107.5	-	-		-	
Total					1,020	114
M PRI	BOHT (B	FFEX)	LCE (S	(0/Inde	x point)	
101	1400	+12	1400	1390	56a	41
ADO	1355	+8	1355	1350	765	50
Sap	1372	+7			91	11
Det	1394	+4			437	

101	1400	+12	1400	1390	56a	
	1355	+8	1355	1350	765	
Abg Sep	1372	+7			91	
Det	1394	+4			437	
Jac	1413	+10			255	
Apr Total	1430	+5	•	-	101 2,277	1
	Circum	Prev			-	
R	1412	1405				

	Despite the holiday season, activity in the pep-
	per mariost have been picking up lately, reports
	Man Producten, White pepper prices rose con-
	aidentity during the week, makely in the for-
	mentality county and hand limited by his fest for-
	ward positions, because of the delayed harvest
	in indonesia and a very tight spot position in
	Europe and the US. The spot price went to
•	about US\$3,150 a forme and July-August ship-
	ment was quoted at \$3,050 cit. The more
	distant positions were somewhat discounted.
	Black begoer prices also developed a much
	firmer band as soon as fresh buying interest
	appeared. All origins are now extremely retuo-
	tent to sell, as if the real statistical picture has
	become a lot clearer. Spot black pepper grade
	I was quoted at \$1,900 a tenne and felr
	everage quality at about \$1,825, with very title
	I think also demand or second \$1,000, some and some [

III LONG GET FUTURES OFTIONS (LIFFE) \$50,000 84ths of 100%

1046		-	I er-	-	Marie .			The same	High	Law	
1046	chenge		LOW	let 	40l	£rea.	81.775				-
064	+27	1040		1,177		Ang Oct	71.775	+0.075	71 /25	71 47	71
	-41	1982		28,514		Dec	71,650	+0.250	71,700	71.350	11
63 63	+47	1703		28,064		Feb	7,125	+0.325	71,200	70,600	
11	+48	1112		0,890		Ape	72.025	+0.150	72.250	71.000	
16	+47	1115	1072	3,832	67	Jes		+0.150			
				101,898	1,501	Total	- 11000	C) (C)			7
_	E (10 1						E HOOS		_		
=	+124	1530		77 33,255		, juli Aug	46.525	-0.500 -0.225	47,000	46.500	
1558	+119	1565	1480			Oct		-0.825			
1550	-85 854	1576		7,835		Det		-Q.150			ì
1578 1598	+68	1580		2,951		Fee		0.075			
1615	+88	1,550		2,312				-0.200			
					10,462						Z
CC	O) (SDF	Trof/e'F	10)			at PO	K BELL	JES CA	Æ (40,1	000bs;	Ce
		Price		Free.		Jal		-1.300			
		1040.67	1	1064	4.35	Aug		-0,800			
						Feb		+0.450			
		W			N/A	Mag		+0.475			
LC:	Ston	10)				10)	48,150			~~~	
815	435	2790	3700	835	319	Total	41100			-	
25	+22	3660	3720	19,428	2,108	-					
33	+24	3645	3725	7,669	1,636	LON	Inon	T	۸۵۳	D 0	
638	+23	3830		10,142	141		DON				
25 55	+20	3830 3757	3735	3,612	141	Str#ce	price &	tome		alle —	•
-	+13	QT GH	2101	42,578			MAINTE				
c.	CSCE (	37,500	be; cen	(a/lbs)			) LME		Эфр		
_			234,75		17	1525			\$5	88	
.75 R5	+3.25	246.50	232.00	24.357	B.144	1550			- 52	76	
25	+9.00	235.25	235.25	11,745	584	1913			🕶	66	
	+9.00	235.00	295.00	E 226		-					
			-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	3,363	1,103	III CO	AL I LE		Sen	( Par-	
.40	+8.00		-	1,597	110	(Grade	A) LME		Sep 121		
.40			:	1,597 315	110	(Grade 2400 - 2450	A) LME		121 90	198 112	
40	+8.00		•	1,597 315 43,808	110	(Grade 2400 - 2450 2500 -	A) LME		121 90 65	198 112	
5.40 5.40	+8.00	anta/po	ound)	1,597 315 43,808	110 48 10,977	(Grade 2400 2450 2500	A) LME	 	121 90 65	198 112 81 Nov	
40	+8.00 +8.00 (US a	ents/po	ound)	1,597 315 43,808	110 48 10,977	(Grade 2400 2450 2500	A) LME	 	121 90 65	198 112 81 Nov	
40	+8.00 +8.00 O) (US 4	Prior	ound)	1,597 315 43,808	110 48 10,977	(Grade 2400 2450 2500 El CO 3600 3650	A UME	E	121 90 65 Sep 529 502	198 112 81 Nov 886 642	
2000	+8.00 +8.00 O) (US 4	Prior 207.50	ound)	1,597 315 43,606 Prev. 211 160	110 48 10,077 day 5-28 8.15	(Grade 2400 2450 2500 El CO 3600 3650	A UME	E	121 90 65 Sep 529 502	198 112 81 Nov 886 642	
2000	+8.00 +8.00 O) (US 4	Prior 207.50	ound)	1,597 375 43,808 Prev. 211 18(cents)	110 48 10,077 day 5.28 8.15 /bs)	(Grade 2400 2450 2500 El CO 3600 3650 3700 El CO	A) UME	E	121 90 85 Sep 529 477 Sep	138 112 81 Nov 885 642 616 Dec	
80 49	+8.00 +8.00 O) (US 4	Prior 207.50	ound)	1,597 315 43,606 Prev. 211 160	110 48 10,077 day 5.28 8.15 Abs)	(Grade 2400 2450 2500 El CO 3600 3650 3700 El CO 1000 1050	A) LIME	E	121 90 65 Sep 529 477 Sep 84	138 112 81 Nov 686 542 816 Dec 134 105	
299	+8.00 +8.00 O) (US 4	Prior 207.50	AR LCE	1,597 375 43,808 Prev. 211 160 (cents,	110 48 10,977 day 5.28 8.15 Abs)	(Grade 2400 2450 2500 El CO 3600 3650 3700 1000 1050 1100	A LME	E	121 90 65 Sep 529 477 Sep 52 28	198 112 81 Nov 685 642 616 Dec 134 105 62	
899	+8.00 +8.00 O) (US 4	Prior Prior 207.50 171.80 W SUG	AR LCE	1,597 315 43,606 Prev. 211 18 (centa,	110 48 10,977 day 5.28 8.15 Abs)	(Grade 2400 2450 2500 E CO 3650 3700 E CO 1000 1050 1100 E BRI	A) UME	E E	121 90 65 529 572 477 84 52 29 E Aug	198 112 81 Nov 685 642 616 Dec 134 105 62	
2000	+8.00 +8.00 O) (US 4	Prior 207.34 171.85 N SUG	AR LCE	1,597 315 43,806 Prev. 211 18 (cents. 1,210	110 48 10,977 day 5.28 8.15 Abs)	(Grade 2400 - 2450 2500 - 3650 - 3700 E CO 1000 1050 - 1100 - E BRU	A) UME	E E F F F F F F F F F F F F F F F F F F	121 90 65 Sep 529 529 477 Sep 52 29 E Aug	198 112 81 Nov 685 642 616 Dec 134 105 62 Sep	
0000 C	+8.00 +8.00 2) (US 4	Prior 207.34 171.85 N SUG	AR LCE	1,597 315 43,808 Prev. 211 16 (cents. 1,210 90 1,300	110 46 10,977 day 5.26 8.15 Abs)	(Grade 2400 - 2450 2500 - 2500 - 3600 - 3700 1050 - 1100 1100 1150 - 1150 1150 1150 1150	A) UME	E F F F F F F F F F F F F F F F F F F F	121 90 65 Sepp 529 529 477 Sepp 84 52 29 E Aug. 45	198 112 81 Nov 665 642 916 Dec 134 105 82 Sep	
00 40 CC	+8.00 +8.00 O) (US a	Prior 207.34 171.85 N SUG	AR LCE	1,597 315 43,808 Prev. 211 16 (cents, 1,210 1,300	110 46 10,977 day 5.26 8.15 Abs)	(Grade 2400 - 2450 2500 - 2500 - 3600 - 3700 1050 - 1100 1100 1150 - 1150 1150 1150 1150	A) UME	E F F F F F F F F F F F F F F F F F F F	121 90 65 Sep 529 529 477 Sep 52 29 E Aug	198 112 81 Nov 685 642 616 Dec 134 105 62 Sep	
999 6	+8.00 +8.00 D) (US 4	207.30 207.30 171.55 W SUG	AR LCE	1,597 315 43,806 Prev. 211 10 (centa, 90 1,200 2,404 10,867 907	110 48 10,977 day 5.26 8.15 Abes	(Grede 2400 - 2450 - 2500 - 3600 - 3700 - 110000 - 110000 - 110000 - 110000 - 110000 - 110000 - 110000 - 11000	A) LIME	E E SOR P	121 90 65 Sep 529 477 Sep 29 E Aug 45 3	198 112 81 Nov 685 542 616 Dec 134 105 82 Sep	
0000	+8.00 +8.00 D) (US c	207.35 207.35 171.55 W SUG.	312.70 310.06 308.00	1,597 315 43,808 Prev. 211 16 (cents, 1,210 1,300 1,300 2,404 10,857 907 3,745	110 48 10,977 629 6.15 Abs)	(Grede 2400 - 2450 - 2500 - 3600 - 3700 - 110000 - 110000 - 110000 - 110000 - 110000 - 110000 - 110000 - 11000	COA LCI	E SOE IPI	121 90 65 502 502 477 34 29 45 45	198 112 81 Nov 886 642 916 Dec 134 105 82 Sep - 47	1
00 40 60 00 00 00 00 00 00 00 00 00 00 00 00	+8.00 +8.00 c) (US c	207.50 Prior 207.50 W SUGA W SUGA 318.40 318.40 311.50	2 AR LCE 312.70 310.00 307.00	1,597 315 43,808 7rev. 211 19 (cents. 1,210 90 1,300 2,404 10,867 907 3,745 362	110 48 10,977 629 6.15 Abs)	(Grede 2400 - 2450 - 2500 - 3600 - 3700 - 110000 - 110000 - 110000 - 110000 - 110000 - 110000 - 110000 - 11000	A) LIME	E SOE IPI	121 90 65 502 502 477 34 29 45 45	198 112 81 Nov 886 642 916 Dec 134 105 82 Sep - 47	1
40 40 60 100 100 100	+8.00 +8.00 c) (US c	207.35 207.35 171.55 W SUG.	2 AR LCE 312.70 310.00 307.00	1,597 315 43,808 778v. 211 10 (cents, 1,210 90 1,300 2,404 10,867 907 3,745 362 346	110 48 10,977 day 5.26 5.15 Abs)	(Grade 2400 - 2450 - 2500 - 600 - 2500 - 6	COA LCI	E SOE IPI	121 90 65 Sep 529 477 Sep 52 29 E Aug	198 112 81 Nov 685 642 618 Dec 134 105 62 Sep - 47	1
1.00 1.40 0.00 1.00 1.00 1.00	+8.00 +8.00 D) (US 4	207.35 207.35 171.55 N SUGA 318.40 315.00 311.50 306.50	312.70 310.06 307.00 306.60	1,587 315 43,808 1,210 1,210 1,200 1,300 2,404 10,867 907 3,745 365 346 18,803	110 48 10,977 day 5.28 8.15 Abs)	(Grade) 2400 2490 2490 2500 E COI 3600 3700 1050 11050 1760 1800 1760 1800 1000 1000 1760 1800 1000	COA LC	E SOE IM	121 90 65 Sep 529 529 477 Sep 477 Sep 29 45 3 45 3	198 112 81 Nov 885 642 916 Dec 134 105 82 Sep 47 MAF	11
00 440 60 100 00 00 00 00 00 00 00 00 00 00 00 0	+8.00 +8.00 D) (US 4	28/13/20 207.35 171.55 N SUGA 318.40 315.00 311.50 306.50	312.70 310.05 300.00 307.00 306.60	1,587 315 43,808 Prev. 211 19 (centa, 1,210 1,300 1,300 2,404 10,867 907 3,745 346 18,803 nta/ba)	110 48 10,977 day 5.28 8.15 Abes	(Grade) 2400 2490 2490 2500 E COI 3600 3700 1050 11050 1760 1800 1760 1800 1000 1000 1760 1800 1000	COA LC	E SOE IM	121 90 65 Sep 529 529 477 Sep 477 Sep 29 45 3 45 3	198 112 81 Nov 885 642 916 Dec 134 105 82 Sep 47 MAF	11
40 CC	+9.00 +9.00 D) (US & JM RAV 	Prior 207.50 171.50 18.400 311.50 306.50 112.000 12.10	312.70 310.05 308.00 307.00 306.60	1,597 315 43,506 Prev. 211 109 (cents. 1,210 90 1,300 10,507 3,745 362 346 18,603 nts/fbs) 98,218	110 46 10,977 5.26 8.15 Abes	(Grade) 2400 2490 2490 2500 E COI 3600 3700 1050 1100 1750 1800 1760 1800 1760 1800 1760 1800 1760 1800 1760 1800	A LIME COA LCI	E SP FOR (P	121 - 90 - 90 - 90 - 529 - 529 - 45 - 3 OT oer bear	198 112 81 Nov 885 642 918 Dec 134 105 82 Sep 	1
40 40 10 10 10 10 10 10 10 10 10 10 10 10 10	+8.00 +9.00 O) (US a JM RAM AR UCE 	Prior 207.35 N SUGA 318.40 315.00 311.50 311.50 112.00 112	312.70 310.06 306.00 307.00 306.60	1,597 315 41,608 1,210 1,210 1,200 1,200 2,404 10,557 346 346 12,603 346 12,603 346 12,603 346 12,603 346 346 346 346 346 346 346 346 346 34	110 45 10,977 day 5.28 8.15 Absq.	(Grade) 2400 2490 2490 2500 E COI 3600 3700 1050 1100 1750 1800 1760 1800 1760 1800 1760 1800 1760 1800 1760 1800	A) LIME COA LC C	E SP FOR (P	121 - 90 - 90 - 90 - 529 - 529 - 45 - 3 OT oer bear	198 112 81 Nov 885 642 918 Dec 134 105 82 Sep 	180.74
1.00 1.40 1.40 1.00 1.00 1.50 1.50 1.50	+8.00 +8.00 (US 4 -	Prior 207.54.7 Prior	312.70 310.00 300.00 300.00 300.00 311.72 11.45	1,597 315 41,808 41,808 1,210 1,200 1,200 1,200 2,404 10,557 907 2,745 3,465 3	110 10,577 day 5.29 8.229 1,711	(Grade) 2400 2450 2450 2500 3650 3700 1000 1050 1100 -	PRODU	E SP FOR (P	1211 90 95 95 95 95 95 95 95 95 95 95 95 95 95	198 112 81 81 112 81 81 112 81 81 81 81 81 81 81 81 81 81 81 81 81	1 00.7.4 mg
00.440 CC	+8.00 +8.00 O) (US c CSCE ( CSCE ( 1.025 +0.275 +0.276 +0.	Priorize Pri	312.71 312.70 300.00 300.00 300.00 11.72 11.45 11.36	1,597 31,506 21,406 1,210 1,210 1,20	110,877 day 5.26 5.26 6.15 6.15 6.15 6.229 1,711 271 36	(Grade) 2400 2490 2490 2500 E COI 3600 3700 1050 11000 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800	COA LCI COA LC	E SP FOR (P	1211 90 50 50 50 50 50 50 50 50 50 50 50 50 50	198 112 191 191 191 191 191 191 191 191 191	1 00.7.4 mg
40 40 100 100 100 100 100 100 100 100 10	+8.00 +8.00 3) (US 4 AR LCE -8.25 +0.37 +0.26 +0.27	Priorize Pri	312.70 310.06 308.00 307.00 307.00 11.72 11.32 11.32 11.32	1,597 397 397 318 41,608 1,210 1,210 1,200	110,077 day 529 529 1,711 36 55 55 3	(Grede 2400 - 2490 - 2490 - 2490 - 2500 - 3600 - 3600 - 10	PRODU	E SP FOR (P	1211 90 50 50 50 50 50 50 50 50 50 50 50 50 50	198 112 181 Nov 886 842 846 105 846 105 847 847 847 847 847 847 847 847 847 847	1 0.74
40 40 100 100 100 100 100 100 100 100 10	+8.00 +8.00 3) (US 4 -8.00 1) (US 4 -10.00 1)	Priorize Pri	312.70 310.06 308.00 307.00 307.00 11.72 11.32 11.32 11.32	1,597 315 41,606 Prov. 211 1,210 1,210 1,200 1,2	110,077 day 529 529 1,711 36 55 55 3	(Grade 2400 - 2450 - 2450 - 2500 - 2500 - 3650 - 3700 - 10	PRODU	E SP FOR (P	1211 90 90 95 95 95 95 95 95 95 95 95 95 95 95 95	198 112 191 191 191 191 191 191 191 191 191	18074
5.00 5.40 6.40 6.40 6.50 1.50 1.50 1.50 1.50 1.43 1.43	+8.00 +8.00 3) (US 4 -8.00 1) (US 4 -10.00 1)	Prior 171.5: 171	312.70 312.70 310.06 307.00 307.00 307.00 307.00 11.72 11.45 11.29	1,597 315 41,608 Prev. 211 16 (cental 1,210 1,20	110,077 day 529 529 1,711 36 55 55 3	(Grade 2400 - 2450 - 2450 - 2500 - 25	A) LME  COA LCI  COA	E SPE PROB (r	1211 90 90 90 90 90 90 90 90 90 90 90 90 90	198 112 81 Nov 886 842 866 134 105 82 Sep 47 MAF 17.77-7,8,40-8 17.89-8,17,77-7,8,40-8	18074 6 84
00 40 CC	+8.00 +8.00 O) (US c -10.00 AR UCE +0.37 +0.37 +0.24 +0.24 +0.24	Prior 171.5: 171	312.70 312.70 310.06 307.00 307.00 307.00 307.00 11.72 11.45 11.29	1,597 315 41,608 Prev. 211 16 (cental 1,210 1,200 1,200 2,404 10,567 90 1,200 2,404 362 345 58,218 5	110,077 day 529 529 1,711 36 55 55 3	(Grade 2400 - 2450 - 2450 - 2500 - 25	COA LCI COA LC	E SPE PROB (r	1211 90 90 90 90 90 90 90 90 90 90 90 90 90	198 112	11 074 0 84
100 000 11 05 82 2 50 440 NY 25	+0.00 +0.00   -0.00	Priority Pri	312.70 312.70 310.06 307.00 307.00 307.00 307.00 11.72 11.45 11.29	1,597 315 315 315 315 315 41,608 11,210 1,210 1,200 1,	110,977 day day 10,977 day 10,977 day 10,977	(Grade 2400 - 2450 - 2450 - 2500 - 25	DON UCC COA LCC	E SPE PROB (r	1211 90 90 90 90 90 90 90 90 90 90 90 90 90	198 112	11 074 0 84
3.40 3.40 3.40 3.40 3.40 3.60 3.60 3.60 3.60 3.60 3.60 3.60 3.6	+8.00 +8.00 O) (US c -10.00 AR UCE +0.37 +0.37 +0.24 +0.24 +0.24	Priority Pri	312.78 310.00 300.00 300.00 300.50 11.72 11.29 11.29 11.20 cents/i	1,597 317 317 317 317 317 317 318 4 (contact 1,210 1,200 1,2	110,977  day 625 625 625 625 625 625 625 625 625 625	(Grade 2400 - 2450 - 2450 - 2500 - 25	A) LME  COA LCI  COA	E SPE I SP FOR (stand) op) of CTS N	1211 90 90 95 95 95 95 95 95 95 95 95 95 95 95 95	198 112 81 Nov 686 642 86 642 616 616 616 62 82 847 648 648 648 648 648 648 648 648 648 648	18 00 7 4 18 18 19 19 19 19 19 19 19 19 19 19 19 19 19
100 400 100 100 100 100 100 100 100 100	+0.00 +0.00	Priority Pri	312.71 310.00 300.00 300.00 300.00 300.50 11.72 11.45 11.32 11.22 11.23 69.45 79.15 79.15	1,597 315 315 315 315 315 41,608 1,210 1,210 1,200 1,200 1,200 1,200 1,200 346 11,607 347 347 347 347 347 347 347 347 347 34	110,977 day 10,977 day 10,977 day 11,515 3 11,506 1,537 6,536 633	(Grade 2400 - 2450 - 2450 - 2500 - B COO - 3650 - 3700 - 1050 - 1100 - 1150 - 1	DON USE OF TRUE OF TRU	E SP FOR (p) CTS N ine	1211 90 90 95 95 95 95 95 95 95 95 95 95 95 95 95	198 112 181 Nov 885 642 862 862 134 105 62 862 134 105 62 862 134 105 62 862 134 105 62 862 117.99 8 40 8 8 8 105 118 118 118 118 118 118 118 118 118 11	18 18 19 19 19 19 19 19 19 19 19 19 19 19 19
100 000 100 100 100 100 100 100 100 100	+8.00 +8.00   1	Priority Pri	312.70 310.06 300.00 300.00 300.00 300.00 300.00 300.00 300.00 300.00 300.00 11.72 11.25 11.25 69.45 69.41 77.52	1,597 317 317 317 317 318 4 (contact 1,210 1,200	110,977  day 629 629 629 629 629 631 75,586 629 986	(Grade) 2400 2450 2450 2500 B CO 3600 3650 3700 1050 11000 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800 1750 1800	COA LCI COA LC	E SP FOR (F FOR (C F F F F F F F F F F F F F F F F F F	1211 900 529 529 5477 \$477 \$495 52 52 52 52 52 52 52 52 52 52 52 52 52	198 112 198 112 198 112 198 112 198 112 198 198 198 198 198 198 198 198 198 198	10074 or 84
00 40 40 CC	+0.00 +0.00	Priority Pri	312.71 310.00 300.00 300.00 300.00 300.50 11.72 11.45 11.32 11.22 11.23 69.45 79.15 79.15	1,597 315 315 41,608 Prev. 211 16 (conta- 1,210 1,200	110,877 day day 8,229 1,711 271 271 271 36 55 3 11,306 423 596 433 389	(Grade 2400 - 2450 - 2450 - 2450 - 2500 - 3600 - 3650 - 3700 - 1000 - 1150 - 11	A) LME  COA LCI  COA	E SP FOG (stand) oct 1 CO TS N	1211 90 90 90 90 90 90 90 90 90 90 90 90 90	198 112 181 Nov 885 642 862 862 134 105 62 862 134 105 62 862 134 105 62 862 134 105 62 862 117.99 8 40 8 8 8 105 118 118 118 118 118 118 118 118 118 11	18464 1077 1000 1000 1000 1000 1000 1000 100
00 40 40 CC	+8.00 +8.00 O (US o -8.00 O (US o -9.00 -9	Priority Pri	312.71 310.00 300.00 300.00 300.00 300.00 300.50 11.72 11.45 11.29 11.29 11.29 11.29 11.20 69.45 77.57 77.90	1,597 315 315 315 41,608 1,210 1,210 1,200 1,200 1,200 1,200 1,200 2,404 10,567 907 3,463 3,503 3,603	110,977 day day 10,977 day 10,977 day 11,515 11,506 11,537 55 639 986 8,772	(Grade 2400 - 2450 - 2450 - 2450 - 2500 - 3650 - 3700 - 1000 - 1050 - 1100 - 1150 - 11	DON UDE OIL Blend (S B) (S Blend (S B) (S Blend (S B) (S	E SP FOR (r SP) CTS N ine	1211 90 90 90 90 90 90 90 90 90 90 90 90 90	198 112 198 112 198 112 198 112 198 198 198 198 198 198 198 198 198 198	16 00 17 10 B
5.00 6.40	+8.00 +8.00   1	Priority Pri	312.71 310.00 300.00 300.00 300.00 300.00 300.50 11.72 11.45 11.29 11.29 11.29 11.29 11.20 69.45 77.57 77.90	1,597 315 315 315 41,608 1,210 1,210 1,200 1,200 1,200 1,200 1,200 2,404 10,567 907 3,463 3,503 3,603	110,977 day day 10,977 day 10,977 day 11,515 11,506 11,537 55 639 986 8,772	(Grade 2400 - 2450 - 2450 - 2500 - 3600 - 3600 - 3600 - 1000 - 1050 - 1100 - 1750 - 1800 - 1750 - 1800 - 1750 - 1800 - 1750 - 1800 - 1750 - 1800 - 1750 - 1800 - 1750 - 1800 - 18	A) LME  COA LCI  COA	E SP FOR (P) FOR (S) F	1211 90 90 90 90 90 90 90 90 90 90 90 90 90	198 112 198 112 198 112 198 112 198 198 198 198 198 198 198 198 198 198	184 184 170 185 185 185 185 185 185 185 185 185 185

Copper (US prod.) Lead (US prod.) Tin (Kuala Lumpur)

					_	_	Lead (US PROG.)
Jul Sep Herr	88.50 92.00 95.00	+2.45 +2.45 +1.95		86.75 89.55 93.25	40 14,485 1,463	36 1,834 182	Tin (Kuala Lumpur) Tin (New York) Zing (US Prime W.)
ine Mar May	98.50 102.25 106.25	+1.95 +1.55 +1.55	99,25 102,75 106,00	97.20 187.00 105.00		171 34 105	Cattle filve weighth? Sheep filve weighth? Piga (ilve weight)
Total					23,137	1,577	Lon, day sugar (raw) Lon, day sugar (wto) Tase & Lyle export
Oper	UME DAT interest acts trad E, CME, ( in arrears.	and led on CSCE	COM	EX, NY	MEX,	¢επ,	Bartoy (Eng., feed) Moize (US No.3 Yellow) Wheat (US Dook North) Paubber (Augh) Rubber (Augh) Rubber KL RSS No.1 Aug
INDI	CES						Cocorust Os (Phillips Peliro Os (Matoy.)§ Copra (Phillips

Jul 14 month tigo year ago 2123.2 2029.4 1703.5

237.28

■ US TREASURY BOND FUTURES (CET) \$100,000 S2nds of 100%

	Copra (Phili)\$ Soyabeare (US) Cotton Outlook 'A' Index Wooltops (64s Super)	5400 £177.0q 80.70c 421p	-+0.30
,	C per tonne unions otherwise as	ated, p pence/	g, e terk
	I ringgs/lip, in Malayatan cerca?	lig. ( July/Aug. )	g Aug. z /
	Sep. w Sep. ♥ London Pry	elept. 5 CBF	Rotterdan

WORLD BOND PRICES

		Caupon	Fled Date	Price	Day's	Yield	Work	Month
Australia		9.000	09/04	97.4600	+1.260	8.39	0.57	8.23
Belglum		7.250	04/04	26.2000	-0.150	7.81	8.18	8.11
Canada *		6.500	06/04	84,7500	+0.950	8.68	8.25	8.18
Dermark		7.000	12/04	92,4500	+0.530	8.09	6.39	8.35
France	BTAN	6.000	05/98	104,6200		6.90	8.90	7.03
	OAT	5.500	04/04	87,3300	-	7.36	7.80	7.75
Germany Tre	uhend	8.750	05/04	99.7500	+0.090	6.78	7.04	7.14
taly		8.500	01/04	89.8000	-0.680	10.211	10.55	10,77
Japen	No 118	4.800	06/99	104.8960	_	3.63	3.50	3.73
	Na 164	4,100	12/03	98,4600	+0.460	4.33	4.26	4.41
Netherlands		8.750	01/04	92,7600	-0.060	6.80	7.10	7.24
Spoin		8.000	05/04	86.0000	-0.050	10.32	11.04	10.53
UK Gilts		6.000	06/99	92-16	-6/32	7.83	8.28	8.26
		6.750	11/04	90-00	-23/32	8.19	8.57	8.64
		8,000	10/08	105-19	-35/32	8.32	8.50	8.63
US Treasury	•	7.250	05/04	100-04	+9/32	7.23	7.28	7.12
,		8,250	08/23	84-29	+11/32	7.54	7,58	7.43
ECU (French	Govti	6.000	04/04	87.5700	-0.030	7.87	5.06	6.15
Landon closing Circus (Inclu Prices: US, UI	g, Thew Yo	rk mid-day	12.5 per			Yielde: L	ocal mari	ost standi

### **ECONOMIC DIARY - FORWARD EVENTS**

TODAY: National savings monthly statement (June). US results (June). TOMORROW: Mr Warren Christopher, US secretary of state, scheduled to depart on a tour of Middle East, Turkish, Bosnian and Croatian presidents meet in Zagreb. MONDAY: Public sector bor-

rowing requirement (June). European Union foreign ministers meeting in Brussels (until July 19). First day of extraordinary Diet session in Tokyo (untii July 22). European Union agriculture ministers meet in Brussels. TUESDAY: CBI survey of dis-

tributive trades (June). Finan-cial statistics (July). US trade gap (May). European parliament in session in Strasbourg (until July 22). Bosnia's warring factions expected to meet five-nation contact group on Bosnia to give formal response to latest peace map. OECD's annual employment outlook published. CAA annual report. WEDNESDAY: Retail sales monthly figures (June). Provi-British banking groups' (until July 28).

housing starts (June); building permits (June). General Agreement on Tariffs and Trade holds monthly council meeting in Geneva. Rail strike expec-

THURSDAY: Engineering sales and orders at current and con-stant prices (May). Balance of trade with countries outside the European Union (June). Provisional figures for vehicle production (June). US State Department holds conference marking the 50th anniversary of the Bretton Woods financial conference and the institutions it set up (the International Monetary Fund and the International Bank of Reconstruction and Development). Result of Labour Party leadership contest. Bundesbank council meets. The Commons rises for

FRIDAY: Gross domestic product (second quarter - preliminary estimate). US budget deficit (June). ASEAN (Association (June). Building societies of South East Asian Nations) ministerial meeting in Bangsional estimates of M4 and kok ahead of regional forum counterparts (June). Major and post-ministerial conference

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### BOND FUTURES AND OPTIONS France III NOTIONAL FRENCH BOND FUTURES MATTE Jul 13 Low Est vol. Open int. 125,208 127,911 595 13,023 487 1,747 118.74 115.96 115.24 115.28 115.48 114.78 90.0+ 30.0+ 90.0+ 116.68 116.00 115.24 118.12 118.78 114.80 E LONG TERM FRENCH BOND OPTIONS (MATE) Jul 18 Sep 0.86 1.20 1.55 1.89 2.44 Dec 114 115 116 117 118 0.27 0.50 0.81 1.25 1,85 2,20 2,80 1.91 Germany E NOTIONAL GERMAN BUND FUTURES (LIFTE) DM250,000 100% of 100%

Treeslay Bills and Board Yathis.

	Open	Sett price	Change	Hig	Tr.	LOW	Eal Voi	Open int
Sep	94.44	93.88	-0.32	94.4	7 9	3.70	156831	156724
Dec	93.66	93.18	-0.29	93,6	5 9	8.15	535	8762
	FUTURES			50,900	points			
E BUND Strike Price			118 -	50,000 Dec			PUTS	Dec
Strike	Aug 0.71	CA	Oct		Aug 0.35			Dec 1.57
Strike Price	Aug	Sep CA	Oct 1.18	Dec	Aug	Sep	Oct	

	Open	Sett price	Change	High	Low	Est. voi	Open Int.
Sep		86.88	-0.00			0	75
italy = North	MAL TTALL	N COVE.	OND ROTE	NUTURE P	25		
M NOTE		NA GOVT. E		PUTUR	3		
M NOTE				High	Low	Est. vol	Open int.
M NOTE	)" Lina 200m	1000m of 1	G0%			Est. vol 57213	Open int. 81285

Sep Dec UK		LT FUTURE			-		314
		80.00			-	•	314
NOT	Open 91.40	Sett price 90,49 90.80	Change -0.63	18gh 81.50	Low 90.25	Est. vol. 45,880	102,838
Spain							
Est vol t	otal Cota 1810	0 Puts 2423. F	Jevicre (SA)	a open int.,	Colls 31980	Pute 26783	
10500		1.50	2.34		2.30		4.34
		1.99 1.77	2.75 2.54		1.79		3.75 4.04
10400 10450							

-0-18 -0-15

63083

116175

Strice		CALL			-	- PUIS -		- 0	STREASUR	TBD	NO FUTUR	do Irpi	2100,000	SKINGE (	01 10076	
Price		ep	Dec		Sap		Dec		Op	MAIL	Latest	Change	High	L	w Est w	al. Open l
103	1-		5-60		1-21		3-16	Seo	100	-20	103-01	+0-11	t03-0	7 102	-06 535,83	30 390,1
104		20	2-32		1-52		3-52	Dec	101	-28	102-08	+0.12	102-1	3 101	-13 2,564	
196	0-	•	2-07		2-25		<b>1-27</b>	Mar	100	-29	101-18	+0.15	101-2	3 100	-23 676	4,117
Est. vol. total, C	3638	Publi 3237. P	rovivas dav	's open in	L Call 650	49 Puts 49867										
								Jac	NAME OF THE O							
Бси									OTIONAL L	ONG 7	TERM JAP	ANESE	BOYT, BO	NO FU	TURES	
ECU BOND	ame	OR GEATTER	64 47						FFE) Y100n							
							5 LA		Qe	**	Close	Change	High	10	w Est v	ol Open i
		Sett price	Change	High	Low		Open Int.	Sep	100		-	Gran-Br	110.05			
	4.30	54.24	+0.44	64,40	63.80	1,685	6,368	Dec	108				108.07			ō
Dec	-	83.60	+0,44	•	•	-			E contracts t		APT. AL O	onn Intere				
								٦.								
7.00			F-1													
FT-ACTU	ARIE				INDIC	ES										
		. Pri	Day	/s	Thur	Accrued	मर्द्ध करी				PH	D	ey's	Thar	Accrued	aci ac Velok
UK Gilbs Price		Jul 10	charg		Jul 14	interest	yfeld		-Eniced	_	Jul 15	Cha	ige %	Jul 14	interest	
1 Up to 0 years	rs (24)	122.37	+0.	.14 .12	122.61	1.82	6.24 6.71	5 U	o to 5 years	G.	187.09 172.17		0.04	167.09 172.24	1.47 0.70	2,53 2,94
Over 15 year	TEUR	160.67		52	161.51	2.43	6.57		Modes (13)	,	172.63		0.03	172.89	0.77	2.88
4 tredeemable	9 (5)	183.34	-0		183.90	1.88	7,38								2.61	5.64
5 Al stocks (6	11)	140.38		11	140.68	2.26	6.58		sbe and loar upon yield -	e (vo)	132,42	1	0.09	132.30		0,04
Yleicis	JU 10	Jul 14	AL BOO	High	Lou	Jul 1	5 Jul 14	Yr ago	High		Low	Jul 10	Jul 14	AL ado	pen yield	Law
5 yrs	7.57	7.89	6.74 8	54 (21/6	5.57 [1	9/1) 6.00		6.89	6,70 (1/6)	6,8	2 (19/1)	8.14	0.18	7,09	8.81 (20/6)	5.91 (19/1
15 yrs	6.19	8.12	7.75	3.79 (1/6	6.30 ta		9 825	7.84	B.92 (1/6)	8.3		8.58	8.52	8.09	9.24 (1/6)	6.65 (20/1 6.65 (20/1
20 yrs	8,17 8,23	8.10 8.20	7.91 ( 6.09 (	1.75 (1/6 1.80 (1/6	8,41 G 8,52 G	8.2	9 6.25	7.95	8.92 (1/6)	0,4	2 (20/1)	8.43	8.37	8.18	9.05 (1/8)	G-02 Frit
Index-linked			Inflection r					Inflation	rate 10% -							
Up to 5 yrs	3.62	3.58	2.80 3	3.84 (1/6)	2.13 (	4/t) 2.51	2,47	1.99	2.95 (1/5)	1.14	8 (16/2) 0 (20/1)					
over 5 yrs	3.66	3.85	3.45 3	198 27/6	2.88 (2	(1/0)	3.65	3.28	3.79 (21/6)	2.7	0 (20/1)					
Debu & lours			5 yes					15	YOUR					25	years	
	8.25	9.30			3 7.19 (1		9.22	8.79	(6) th 06'B	7.8	9 (20/1)	9.18	9.18	8.98	9.84 (1/6)	7,49 (10/1
Average gross	<b>LEGETHO</b>	ion yleids I	ere shown	SPONS.	Coupon B	ender Low: 01	%-74%; M	edhim: 8	%-10 \%; I	fight, 1	1% and or	rer. † Flo	at yleid. y	H Year	to date.	
FT FIXED	134	beer	MOIC	-				OH	T EDGI	-	~~~	-	MOEC			
r. PLAEL					. ha. se .			CALL		, P	CHALL					Lab. O
	-41	y 15 July 1	is July 12	3 JUN 12	July 11	Yr ago High	Low				July 74	Ju	y 13 .	kdy 12	July 11	July 8
Gort. Secs. (L		1.91 B4.1			92.86	98.31 107.0 18.97 133.8			dged berg	ph're	103.2		13.2 94.4	97.8	79.6 81.7	80.4

Shorts* (Lives up to Five Trens. 10pc (n. 1964); Each 12/pc 1994 Trens 9pc 1994 12pc 1995 Each 3pc 6ps 90–95 Each 3pc 6ps 90–95	10.00 12.40	- 100					Teld	Price £	-	High	100					_		
Fresh 12 type 1994			102/	100	10pc 2003	9.06	B.40	1103	-14	127,4	10513	Index-Linked (h)					2025	1675
12pc 1995		4.93 10048	-/a 1045	100		10.03	9.57 7.00	114 <u>23</u> 14 <b>33</b> m	-4	12917	1107	2nc '96 67.9)	2.43	3.72	199 <u>2</u>	-73	1134	1064 1684
12pc 1995	8.89	5.01 1012	103			6.80	8.34	10712	-4	86 <u>A</u> 1253	71 <u>}.</u>	21200 '01(78.3)	3.33	377	1654	1	1764	1684
erh Sinc Rose Sitt-475	11,50	5.11 103133	107	10313		7.49	L19	80%	-3,	1051	6643	27200 03(78.8)	344	3.80	1814	-10	1735	1504
	3.06	5.13 85%	98		Corw 8 5 oc 2005	8.76	6.32	10513		1251	1037	43-pc '04tt(135.6)	145	3.79	1084	-	115%	107 2
104pc 1995	9.82	5.69 104 km	1079	3 1043	Trans 121-oc 2003-5	10.06	32.8	7244		142.	1193	2sc 06	3.52	3.76	167134	-6	164\$	1464
988 12 kpc 1995##	11.75	6.02 105%	1135	1087	74oc 2006tt	5.06	8.29	951		11243	8112	21200 '09	3.51		15133	-6	1054	1544
Apr 1906	1283	6.32110万章	+135	110%	Bor 2002_844	8.23	8.30	971	15	1115	93.	21 <sub>28</sub> ¢ '11	3.66	3.46	166-2	-Ā	175°s	1264
15 tabe 1988## en 13 tape 1986##	13.33	8.58 1143	476 1179	115]	Trees 11 Lenc 2005-7	9.84		184		1364	1135	21 <sub>29</sub> ¢ '13(69.2)	3.67		1285 m		1464 157 &	1344
mersion 10pc 1995	11.91	6.50 1114	4/6 1179	1104	Town Sheet 2007 44	8.37		0124	-2	119.3	9613	21 <sub>2</sub> pc *16(81.6)	3.71	3.88	137		1520	12612
145 Coy 70C 199711	9.39	6.94 106/3	+1 112,	1051	131 <sub>2</sub> 02 %4-8	10.30	8.63	1311-	-17	119表 151点	1254	21200 20	3.74	3.89	131 <sup>1</sup> 4 (#560)	+4	129	1067
925 134 pc 1997##	11.63	0.91 100 25	+16 100°	86	Treas 900 2008 \$\$	8.51	5.31	10511	-	124/3	101	21 <sub>20</sub> C 24‡‡(97.7) 41 <sub>0</sub> C '30‡‡(135.1)	3.72 3.74		ne 12 wi		128/3	105%
ch 10 box 1997	9.75	7.11113453	+14 121						-			C			- Involved	( irefinite	o of (1	3 10%
1997#	8.45	7,21 107 Bad 7,46 10346	+1 114	10642 101/2														
£ 150c 1997	12.38	7.58 1214	+4 131															
91.0c 1988	9.17	7.70 105 34	10 114	1044														
TADC 1996#	7.34	758 951	+1 106	985	Over Fither Years							3.945. RPI for Novemb	1983:	141.6	and for	June 1	10× 14	4.7.
925 6-kpc 1995-9611	6.97	7.77 969	10		Trees &cc 2009													
145. 186-1	11.89	7.95 1198				8.20	1.29	971	-46	11516	83	Alber Flord I	-	-				
55 15 20C 9511	12.18	7.79 127%	131,	12413	Treas 8 1/4pc 2010	7-53	8.15	2537	-15	161	7616	Other Fixed I	TOTE	121				
ch 12元 1996	10.47	7.95 11473	+, 125	1122		8.44 8.41	8.26	100()		1261	101,4							<b>194</b> —
1999##	8.97	7.92 10512	115				8.25 7.85	1073	-41	1273	101		Y	eid				igir
					Trees Spc 2013tt	1.20		7613	76	237	721	Notes		Red	Price E -	+#-	High	
					74pc 2012-15#	6.10 6.09	8.21	987		11743	92,4	50 - 0 - 41 - man		8.50	121 %			11513
					Trace 63-pc 201711	8.25	& 10 B.18	95) Jul 106A	-6	1144		African Dev 114 2010	9.17 8.99	8.54	114	****	1314	106)6
no in Pallings Young					Each 12pc 13-17	6.96	8.42	134		120人 120~	9933	Asian Oov 104-pc 2009 B hase 11 2-pc 2012	2.50	9.11	121	ľ	142	115
ch 124pc 1999	10.54	LOS 1167	+6 128	1133	Cam 1246 (3-17	0.80	0.42	134	-33	193.5		retand Cap 8/280 10	8.40	B.11	1014		1152	25%
1012pc 1989	9.56	8.04 109	+3 128, +3 121,	1087								30C Cap 1996	2.81	_	1021	44	10312	100
TERS 60C 1989 ##	5.48	7.82 97(1)	+3 1011 +12 127]	8913								130¢ '97-2	11.66		111 2	+	1164	1004
onversion 1014pc 1989_	\$ 40	A 15 109,5										Hydro Gorbac 150c 2011.	16.29	2.48	14543	-/4	1164a 16993 1484a	13614 13612 12512
BES Fits Rate 198		- 993	1003		S. July B.							Leeds 13 2pc 2006	10.3		130	-4		514
9pc 2000††	1.65	B.16 1037	116		Undated							Liveraged 34-sec livid	9.27	~	374	44	444	284
13pc 2000	15.88	8.35   21 4.2	+3 1364		Course 4pg	8.37		17(3)	급	50%	444	LOC 3pc '20 Aft	5.98	-	33 z	**	40 <sup>1</sup> 2	112
705 W #	9.24	8.39 105	122	104	War Loan 312pctt	8.18	-	42%	-4	5413		Munchaster 11 ape 2007.	8.57	9.29	11612	-12	-	and.
700 VI A.	7.47 7.48	8.18 83 83 6.21 83 43	106/		Conv 312gc 161 Aft	5.90	-	5843	-32	71		Met. Wir. Jee B'	4.32	7.50	68 2	+*2	1007	125 7
	6.56																	
Plate: 2002	9.06	8.44 10714	101 <sub>3</sub>	103		8.47 8.25	=	35(3	-1	3812	3374	N'wide Anglie 37 pc 2021 . 41 pc L 2024	-	4.52 4.50	1314 1281 <sub>2</sub>	4444	1564	1257g



### **CURRENCIES AND MONEY**

### MARKETS REPORT

\* #4,

## Dollar firm

The dollar maintained its day's US data appeared to firmsr tone of recent days, belped by economic data which propped up the US bond maret, writes Philip Gowith. The market interpreted the

data as showing that the US economy was slowing, with littls inflationary pressures. The US currency finished one pfennig firmer in London

at DM1.5558 from DM1.5457. and at Y97.9050 from Y98.28. The firmer dollar helped sterling to hold onto recent gains. The pound finished slightly lower against the firmer dollar, at \$1.5586 from \$1.566, but was 1½ pfennigs up against the D-Mark at DM2,4248 from

DM2.4089. The currency was buoved up by foreign investors appearing to take a better view of UK assets, following the release of encouraging labour costs and average earnings figures ear-lier this week.

Although some of yester-

(Peec) (Pi) (CS) v Peec)

ENGINE PROPERTY OF THE

50,9155 9.5307 8.0384 8.3218 2.4248

366.895 1.0134 2409.99 50.0155 2.7196

249,688 200,358 12,0354 2,0449

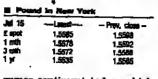
1.5557 1.4526 2.1469 5.3001 1.5586

4.0438 2.6025 41.2251 5.8465 2.3574 5.7143 6.9563 1258.26 41.4245

show signs of an economy running up against capacity constraints, analysts said most of the higher numbers were

weather related. Mr Avinash Persaud, head of currency strategy at JP Morgan in Europe, said they all "added to the current view of slower growth and lower inflationary pressures."

The market focused on the University of Michigan con-



sumer sentiment index, which dropped to 88.9 in the preliminary July index from 91.2 in ths final June index.

Mr Persaud said he was doubtful whether the dollar would continue its rally, since the rally in the bond market was likely to prove shortlived.

9.5360 8.5085 8.0540 8.0180 8.3288 8.2917 2.4277 2.4181 367.203 365.194 1.0164 1.0110 2418.39 2403.21 50.0620 49.8470 2.7214 2.7128 10.6290 10.5597 249.931 249.132 200.482 199.824 12.1686 12.0243 2.0465 2.0265

1.4528 2.1578 5.3067

2.1255 2.1112 12.0641 12.0229 48.8830 48.8180

5,7278 5,6972 7,0323 8,9336 1260,60 1256,48

48.9830 48.8180 153.215 3.0 153.770 152.510 152.215 3.0 4.0510 4.0391 - - 2.5057 2.5080 2.6068 -2.0 41.8259 40.8048 - - 5.8569 5.8387 - - 2.8631 2.3544 - - 5.2728 5.6729

- 482 - 266 - 258 - 145 - 144 - 099 - 596 - 208 - 110 - 908 - 487 - 423 - 482

+0.0384 189 +0.0074 288 +1.398 646 +0.9007 124 +15.77 896 +0.2427 715 +0.009 183 +0.0274 025 -

+0.0274 025 -+0.0274 025 -+1.176 463 -+0.985 229 -+0.0363 245 -

+0.0048 679 - 693

-0.0062 552 - 562 +0.0044 507 - 545 -0.0159 448 - 469 -0.0182 948 - 053 -0.0064 582 - 590

-0.0084 203 - 228 -0.0442 358 - 436 -0.1718 690 - 068 -1.111 517 673 -0.0061 420 - 456 -0.0136 998 - 053 +0.0149 248 - 253 -0.02 437 - 472 -0.006 360 - 588 -0.022 115 - 188 -0.106 340 - 754 -0.136 197 - 824 -0.136 197 - 882 -0.136 197 - 882

9.5377

1.0137 2418.49 50.0355

2.7197 10.6038 250.663 200.633 12.0569 2.0434

8.3261 -0.8 2.4249 -0.1

8.3336 2.4238

-0.4 1.0147 -3.2 2429.14 -0.5 50.0655 -0.1 2.7185 0.3 10.9143 -4.7 252.508 -2.6 201.748 -2.3 12.1114

0.9

Dollar

the futures markst. The

settisd yesterday at 94.25, thirty five basis points firmer

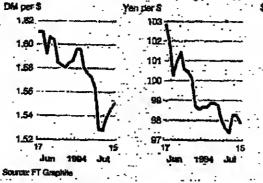
than the 93.90 close on Monday

ahead of producer and con-sumer inflation data releases.

rate rise ahead of the Hum-

1.0176

-4.7 -2.8 205.03S -2.5 12.3368 0.8 2.017



115.0 118.3 118.8 82.2 109.7 126.0

104.7 78.7 118.3 120.6 88.5 89.2 73.3 120.7 79.3

62.5

192.0

He said the the sharp fall in phrey Hawkins testimony next week of Mr Alan Greenspan, yields - the yield on the ten chairman of the Federal Reserve. With inflation apparyear US treasury note fell to below 7.20 yesterday from 7.47 at the start of the week - was ently under control, however, most observers believe the Fed will wait until its next policy meeting on August 16. not sustainable.
The improved interest rate entiment has been reflected in

Sterling

1.55

1.54

1,53

December eurodollar contract ■ In Europe the main excitement was provided by the lira which slipped to an early low of L899.25 against the D-Mark before recovering to close at L993.8. The market was con-Some traders are expecting a cerned about a political row surrounding the anti-corrup-

tion probe by magistrates. Mr Silvio Berlusconi, the prime minister, triggered a revolt by magistrates when his government approved a law curtailing their right to order the arrest of corruption sus-

3 raq MG

2.46

■ The Bank of England provided UK money markets with £30m late assistance. Earlier the Bank had provided £1.549bn after forecasting a shortage of £1.65hn, the largest for some tims. Overnight 6% per cent.
In the futures market mean whils, the eurosterling contracts retraced some of their recant gains. The December contract traded 27,000 lots to finish et 93.98 from 94.00. The December euromark contract

finished at 95.10 from 95.12.

French tranc

FFr per DM

156.458 - 156.817 100.410 - 100.460 1740.00 - 2745.00 1740.00 - 1750.00 0.6604 - 0.4618 0.2655 - 0.2893 34732.3 - 34784.00 22290.0 27220.0 3154.00 - 2724.00 1740.00 1

### +0.1125 430 - 470 +0.265 700 - 100 +0.043 129 - 169 +0.0415 375 - 410 +0.0101 535 - 560 +1.7 300 - 500 -0.0063 388 - 391 +15.37 800 - 850 +0.265 700 - 100 +0.0117 445 - 453 +0.0407 043 - 083 +1.3 100 - 300 +1.07 500 - 600 +0.0497 168 - 244 +0.008 115 - 125 -0.0054 562 - 590 -0.009 282 - 290 104.2 105.8 105.8 77.1 106.1 106.5 69.2 10,9835 10,8770 10,9495 52,1100 31,9400 52,1175 6,1237 8,0820 5,1209 5,1727 6,1374 5,1504 5,356 1,5437 1,536 1,5437 1,5437 1,5437 1,5437 1,5437 1,7454 1,745 32,155 8,1318 5,1629 5,3505 1,5555 237,8 1,335 1658,6 32.23 8.1689 5.2019 5.3256 1.5458 239.8 1.3261 -1.0 -0.7 -1.1 -0.4 -8.9 -0.7 -1.0 -0.5 -9.0 -2.6 -0.4 -0.5 -1.4 1.5980 77.4 105.8 106.7 96.8 94.3 81.3 78.5 106.5 87.5 1548.25 32.0900 1.7448 6.8053 160.200 128.650 7.7207 1.3120 1.5588 1.2286 1.45604 6.8133 163.57 129.53 128.640 7,8000 1,3132 1,6817 1,2328 128.150 128,905 7.7050 1.3070 1.5582 1.2274 7.7377 1.3115 1.558 1.2272 +0.0001 961 +0.006 310 -0.0055 785 -0.9982 0.9390 1.3828 982 330 771 Medico USA Pacifica Australia Africa 1.3612 7.7247 31.3863 97.9060 -0.0008 607 - 517 -0.0018 242 - 282 -0.0025 625 - 700 -0.375 800 - 300 +0.005 940 - 860 -0.003 883 - 711 +0.1 000 - 000 -503 - 508 -0.0008 120 - 130 +0.011 965 - 870 -0.0525 500 - 760 +0.42 200 - 400 1.3628 1.3548 1.3614 7.7277 7.7242 7.7245 31.3700 31.3625 31.4513 98.3700 97.8600 97.7 2.5650 2.5600 2.5663 1.6711 1.8666 1.6708 -0.2 1.3621 0.8 7.7262 -3.3 31.5963 2.5 97.24 4.3 2.574 -0.7 1.6725 150.B 2.5950 2.5800 1.8711 1.8658 28.7000 28,1000 3.7508 3.7509 1.5140 1.5120 3.8705 3.8540 4.4950 4.4500 807,500 805,800 3.7650 1.5093 3.7101 4.555 813.8 3.7505 1.5125 3.8883 4.4825 3,7518 3,7745 -0.8 -0.4 1.1 -5.1 -0.1 -4.5 -0.8 -0.8 Singapore S Africa (Com.) S Africa (Fin.) 1.5112 3.5818 4.4962 810.3 26.598 1.5026 832.3 -3.1 1+0.4 200 - 400 0.0495 760 - 800 - 400 - 800 the Dollar Spot table show only the last three decimal places. For

EMS EUROPEAN CURRENCY UNIT RATES

2.15007

98.5196

1.91757 0.601384 6.57990

7.53778

290.033 -0.088 1907.78 +6.62 0.790897 -0.002882

+0.00011

-0.0027 -0.00059 -0.001258 +0.00506

+0.00496

-2.12 -1.72 -1.64 -0.90 0.63 1.36 2.37

9.65 8.39 0.54

13

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-6.37 -3.50 2.11

2.19672 40.2123 1.94964 0.808628 9.53883

7,43679

NON EPM MEMBERS Greece 264,513 Parky 1793,18 UK 0.786749

Jul 15

### CROSS RATES AND DERIVATIVES **EXCHANGE CROSS RATES** DKr (BFr) 100 (DKr) 52.48 (FFr) 60.10 (DM) 20.63 (SD) 48.37 (L) 2.076 (F) 18.39 16.64 8.731 10 3.433 8.214 0.345 3.060 7.850 4.847 2.544 2.913 1 2.393 0.191 0.892 2.267 4817 2528 2595 983.8 2375 100. 896.0 2273 5.437 2.863 3.268 1.122 2.684 0.113 1 2.565 21,20 11,12 12,74 4,373 10,48 0,440 8,898 10 498.1 251.9 300.0 103.0 248.4 10.38 91.80 235.5 400.5 210.2 240.7 62.63 197.7 8.315 73.67 189.0 24,08 12,82 14,48 4,963 11,88 0,498 4,424 11,35 4.087 2.145 2.455 0.843 2.018 0.085 0.752 1.928 2,000 1,049 1,202 0,413 0,967 0,042 0,368 0,943 4.289 2.251 2.578 0.885 2.117 0.089 0.789 2.024 3.115 1.835 1.872 0.843 1.538 0.085 0.573 1.470 304.8 180.9 183.3 82.91 150.5 6.330 56.08 143.8 2.535 1.331 1.524 0.523 1.252 0.063 0.466 1.196 1.063 1.217 0.419 1 0.042 0.373 0.956 3.982 9.408 0.396 3.505 8.991 (F) 18.39 (NK) 47.18 100. 80.25 124.6 100. 207.5 166.5 122.1 97.89 249.8 200.3 116.4 93.26 160.2 128.6 1637 1313 196.5 158.0 3.818 3.334 4.758 4.154 7.922 8.917 4.862 4.071 9.530 6.117 5.341 62.49 54.56 7.518 6.562 0.406 0.506 0.842 0.498 1.013 0.472 0.650 6.643 0.799 0.971 1.210 2.015 1.186 2.424 1.130 1.558 15.90 1.912 966.1 1203 2002 1179 2408 1123 1546 15797 1900 1.069 1.357 2.260 1.330 2.718 1.268 1.745 17.83 2.144 4.247 5.282 8.811 5.186 10.60 4.942 6.804 69.51 8.360 4.820 6.005 10 5.688 12.05 5.606 7.721 78.89 8.487 0.819 1.020 1.690 1 2.044 0.953 1.912 13.40 1.612 0.401 0.498 0.831 0.489 1 0.465 0.642 6.557 0.789 0.859 1.071 1.788 1.049 2.145 1 1.377 14.07 1.692 0.624 0.778 1.295 0.762 1.558 0.726 1 10.22 1.229 0.506 0.633 1.064 0.820 1.268 0.581 0.814 8.315 (S) 21.09 (Pa) 24.97 (S)(Y) 41.57 (S)77 24.47 (C) 50.01 (CS) 23.31 (S) 32.10 (Y) 327.9 39.44 76.14 126.8 74.61 152.5 71.10 87.86 1000. 120.3 Change High -0.0006 0.8453 +0.0005 0.8456 Latest 0.6425 0.6431 Est vol Open ML Low 1.0243 1.0317 1.0410 0.6416 61,279 99,368 0.6431 306 3,025 7 689 1,0192 1,0305 1,0410 M STEPLING FUTURES (MM) 252,500 per E III SWISS FRANC FUTURES (IMM) SFr 125.000 per SFr

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Bolokum		5	54	5%	8	84	7.40	4.50	-
week ago		5	66	6%	674	634	7.40	4.50	-
France		5 <del>7</del> u	5%	5 <b>1</b>	58	64	5.10	-	6.75
week ago		5%	5%	5%	5달	84	5.10		5.75
Sermeny	4	.82	4.85	4.85	4.90	6.00	6.00	4.50	4.91
week ago	4	.89	4.85	4,90	4.95	5.10	B.00	4.50	4.83
reland		8	54	5%	81	674	-	-	6.26
week ago		54	54	54	64	64	-	_ =	6.26
tely		514	876	84	8%	8%	-	7.90	8.00
week ago		8%	874	51/2	8%	84	-	7.00	8.00
Lethertende		.85	4,86	4.88	5.00	5.19	-	5.25	-
week ngo	4	.97	4.86	4.96	5.05	5.24		5.25	-
Switzerland		4	44	414	4%	44	6,625	3.50	-
week ago		4	44	44	44	4%	6.625	3.50	-
35		44	4 1/2	44	54	54	-	3.50	-
week ago		43	416	424	54	54	-	3.50	-
lapan		2	2	24	2%	2	-	1.75	-
week ago		2_		21/4	21%	28		1.75	
S LIBOR E	T Londo								
nterbank Fb		_	42	48	574	5%	-	-	-
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S DOME OF	_				- 00	5.51	_	_	_
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Open Sett price Change

94.27 93 98

93.78

84 92 94.14 83.85

Sap Dec Mer Jun

94.00 94.11 93.93 93.74

Sett price Change

+0.05 +0.04 +0.05 +0.05

+0.13 +0.18 +0.19 +0.18

URODOLLAR (LIFFE)" \$1m points of 100%

Est. vol Open int,

Est. voi Open Int. 138 2538 250 2044 42 1243

14,744 11,117 8,116 2,331

94.21 94.07 93.92 93.71

LOW

94.14 93.85

94.28 94.17 93.98

High

94.92 94.26 93.86

56,997 34,653 32,019 24,724

Sep Dec	-	1.5578 1.5580	-0.0008	1.5600	1.5570	12,779	637
Mar	-	1.5570		1.5600	1.5570	5	151
_	_	_	_			_	-
							-
# Tight	HTWOM B	EUROMAR	K PUTURE	D (LIFFE)"	Mim poi	ts of 1009	
	Open	Satt price	Change	High	Low	Est. vol	Open in
Sep	95,20	95.18	-0.02	95.21	95.17	13402	172144
Dec	95,13	95.10	-0.02	95,14	95.00	15540	190207
Mar	94,94	94.93		94.96	94,90	23821	153960
-Jun	94.68	94.68		94.73	84.85	9451	92858
THEFT		MINOLINA					
	Open	Sett price	Change	High	Low	Est. voi	Open in
Sep	81,60	91.46	-0.18	91,50	91.40 91.10	7026 - 1493	50021 44303
Oec Mar	91.21	91.17	-0.15 -0.09	90.87	90.70	513	12372
Jun	80.22	90.31	-0.10	90.40	90.22	327	9912
		BURO SWII					
	Open	Sett price	Change	High	Low	Est. voi	Open in
Sep	96.77	95.77		96.77	95.73	890	24588
Dec	85.57	95.50	+0.02	95.61	95.54	884	9963
Mar	95.32	95.35	+0.04	95.35	95.29	195	8496
Jun	95.00	95.01	+0.63	95.00	94,97	24	1695
THERE	MONTH	CU FUTUR					
0.7	Open	Sett price	Change	High	Low	Est. vol	Open in
<b>Sep</b>	93.96	93.99	•	94,02	93.84	392 205	10588
Dec	93.74	92.79	-	95.61	93.74	155	4131
Mer	93.57	93.59	70.04				
Jun LIFFE No.	83.25 res traded o	93.30 n APT	+0.04	93.30	93.25	57	975
Jun LIFFE No.	93.25 res traded o	95.30 n APT EURODOLL	P (MAS) FA	93.30	93.25 of 100%	57	975
Jun LIFFE tota THIRES	83.28 PMS traded of EMONTH (	85.30 n APT EUROPOLL Latast	AR (bm/) t Charge	83.30 Him points	93.25 of 100%	ST Est vox	976 Open in
Jun LIFFE tota THIRES	93.25 PM traded of  MONTH I  Open 94.25	SS.30 APT EURODOLL Latest 94.89	AR (MAN) 1 Charge +0.05	88.30 Im points High 94.94	83.25 of 100% Low 94.75	57 Est. vox 180,857	976 Open int 453,325
Juni LIFFE tuts III THINES Sup Dec	93.29 PM traded of EMONTH I Open 94.25 94.17	BURODOLL Latest 94.89 94.24	AR (SAN) 1 Charge +0.05 +0.07	SS.30 Him points High 94.94 94.29	93.25 of 100% Low 94.75 94.10	57 Est. vox 180,857 313,958	976 Open in 453,326 449,839
Jun LIFFE tota THIRES	93.25 PM traded of  MONTH I  Open 94.25	SS.30 APT EURODOLL Latest 94.89	AR (MAN) 1 Charge +0.05	88.30 Im points High 94.94	83.25 of 100% Low 94.75	57 Est. vox 180,857	976 Open in 453,326 449,839
Juni - LIFFE No.  THINES  Sup Dec Mar	83.28 res traded of E BEONTH ( Open 94.25 94.17 93.90	BURODOLL Latest 94.89 94.24	AR (SAM) 1 Charge +0.05 +0.07 +0.07	93.30 Firm points High 94.94 94.92 94.02	93.28 of 100% Low 94.78 94.10 83.82	57 Est. vox 180,857 313,958	976 Open in 453,326 449,839
Juni - LIFFE No. 1748963 Sup Dec Mar	83.26 traded of	EURODOLL Latest 94.89 94.24 93.96	AR (MM) 1 Charge +0.05 +0.07 +0.07	93.30 Firm points High 94.94 94.02 Firm per 100	93.28 of 100% Low 94.75 94.10 83.52	57 Est. wo 180,857 313,958 144,678	976 Open in 453,326 449,839 323,106
Juni - LIFFE No.  THINES  Sup Dec Mar	83.28 res traded of E BEONTH ( Open 94.25 94.17 93.90	93.30 APT EURODOLL Latest 94.29 94.24 93.96	AR (SAM) 1 Charge +0.05 +0.07 +0.07	93.30 Firm points High 94.94 94.92 94.02	93.28 of 100% Low 94.78 94.10 83.82	57 Est. vox 180,857 313,958	976 Open int 453,325
Juni - LIFFE No.  174863 Sup Dec Mar  18 US TR	83.25 res traded of 2 MONTH I Open 94.25 94.17 93.90	EURODOLL Latest 94.29 94.24 93.96	AR (BANA) 8  Charge +0.05 +0.07 +0.07	93.30 Firm points High 94.94 94.29 94.02 Firm per 100	93.28 of 100% Low 94.75 94.10 83.52	Est. wox 180,857 313,958 144,678	975 Open in 453,326 449,839 323,106
Juni - USTE No.  TRIPES  Sap Dec Mar  E US TR  Sap Dec Mar	83.28 rea trated of trated	95.30 APT Latest 94.26 94.24 93.96 MLL FUTTER 95.33 94.83 94.83	AR (SAM) S +0.05 +0.07 +0.07 +0.07 +0.07 +0.03 +0.10	93.30 Firm points High 94.29 94.02 Firm per 100 95.38 94.67	93.28 of 100% Low 94.78 94.10 93.52 7%	57 Est. voi 180,857 313,958 144,678	976 Open int 453,326 449,838 323,106 21,862 8,180
Juni - USTE Note TRIPES Sep Dec Mar Sep Dec Mar All Open Inte	63.25 max traded of traded of traded of traded of traded of trade	EUROPOUL Latest 94.29 94.24 93.96 MLL FUTUR 95.33 94.55 94.55	AR (MM) 8 +0.05 +0.07 +0.07 +0.07 +0.07 +0.03 +0.10	95.30 Him points High 94.34 94.02 Him per 100 95.36 94.67 94.56	93.28 of 100% Low 94.78 94.10 93.52 7% 95.25 94.70 94.43	57 Est. voi 180,857 313,958 144,678	976 Open int 453,326 449,838 323,106 21,862 8,180
JUN LIFTE NAME THERES	63.25 max traded of traded of traded of traded of traded of trade	EURODOLL Latest 94.26 94.26 93.96  RLL FUTUR 95.33 94.55 94.55	AR (MM) 1 Charge +0.07 +0.07 +0.07 +0.03 +0.10 -0.03 +0.10	95.30 Him points High 94.34 94.02 Him per 100 95.36 94.67 94.56	93.25 of 100% Low 94.78 94.78 94.78 94.70 95.25 94.70 94.43	57 190,57 131,958 144,678	976 Open int 453,326 449,838 323,106 21,862 8,180
Juni - LIFTE Note  THERES Sup Doc Mar  LISTE Sup Doc Mar  All Open In Mr (LISTE) Strike	63.28 max traded of traded	EURODOLL Latest 94.39 94.24 93.96  RLL FUTTUR 95.33 94.85 94.95 96 for previous	AR (MM) 1 Charge +0.05 +0.07 +0.07 +0.07 +0.03 +0.10 day	95.30 Him points High 94.34 94.02 Him per 100 95.36 94.67 94.56	93.25 of 100% Low 94.76 94.78 94.70 95.25 94.70 94.43	57 190,57 313,958 144,678	976 Open int 453,326 449,838 323,106 21,862 8,180
Juni - LIFTE Note	SS.28 max traded of traded of traded of traded of traded of trade	PURIODOLL Letast 94.29 94.24 93.96 RLL FUTUR 95.33 94.53 94.55 to previous (LFF)	AR (Mm/) 1 Charge +0.05 +0.07 +0.07 +0.07 +0.03 +0.10 chy	95.30 Firm points Pagh 94.94 94.02 Firm per 100 95.36 94.97 94.56	93.25 or 100% Low 94.76 94.70 94.52 94.70 94.43	57 Est. vol. 180,357 313,958 144,678 3,909 402 218 PUTS Sep	976 Open int 453,325 449,839 323,106 21,862 8,180 1,745
Juni - USTE NAME - USTE NAME - USTE - WAR - USTE - WAR	63.28 max braded of traded of traded of traded of traded of traded of traded of trade of trad	EURODOLL Latest 94.29 94.24 93.96  ELL FUTUR 95.33 94.53 94.55 9 for previous CAL Aug 0.19	AR (MA) 8  Charge +0.07 +0.07 +0.07  ES (MA) \$  +0.03 +0.10  day  E) DMI m pp  2 Sap D	95.30 Firm points High 94.29 94.02 Firm per 100 95.38 94.67 94.56 cints of 100 ec. July 26 0 0	93.25 or 100% Low 94.78 94.10 93.52 94.10 95.25 94.70 94.43	Est. vot. 180,857 313,958 144,678 402 215	976 Open int 453,326 449,835 323,106 21,862 8,180 1,745
Juni - LIFTE Tuto  E THERES  Suppose  Man - LIFTE Tuto  Suppose  Man - LIFTE Tuto  Suppose  Man - LIFTE Tuto  Suppose  Man - LIFTE  Suppose  Man - LIFTE  Suppose  Man - LIFTE  Suppose  Suppose	63.25 must reduce of trade of	EURODOLL Latest 94.39 94.24 93.96  RLL FUTUR 95.33 94.55 94.55 96 for previous TOORS (LEFF) 0.03	AR (Mm/) 1 Charge +0.05 +0.07 +0.07 +0.07 +0.03 +0.10 chy	95.30  htm points  High 94.34 94.22  htm per 100 95.35 94.67 94.56  sints of 100 ecc Ju 28 0 0.01	93.25 Low 94.78 94.78 94.78 94.70 95.25 94.70 94.43	57 Est. vol. 180,357 313,958 144,678 3,909 402 218 PUTS Sep	976 Open int 453,325 449,835 323,106 21,862 8,180 1,745 Dec. 0.18
Juri LIFFE 1sts  TARRES  Sap Dec Mar  LISTE 1sts  Sap Dec Mar  All Open Intel Extract  Strike Price Price 19500 19505	93.25 max traded of traded of traded of traded of traded of traded of trade	SS.30 APT  Latest S4.39 S4.29 S5.33 S4.55 S4.55 S6 or previous TONES (LEFF) CAL AUD C.19 C.03 C.03	AR (MA) 8  Charge +0.07 +0.07 +0.07 +0.03 +0.10 -0.03 +0.10 -0.03 -0.03 -0.03 -0.03 -0.03 -0.03 -0.03 -0.03	95.30  Him points  High 94.34 94.02  Him per 100  95.36 94.56  points of 100  26 0  13 0.07  26 0  27 0  28 0  29 0  20	93.25 Low 94.78 94.78 94.78 94.10 95.25 94.70 94.43 443 443 443 443 443 443 443 443 443	57 190,57 313,958 144,678 3,909 402 218 PUTS — Q.04 0,13 0,13 190,144 190,144	975 Open ini 453,325 449,839 323,106 21,862 8,180 1,745 Oec 0.18 0.28
JUNI LIFTE NAME TRANSPORT	93.25 max traded of traded of traded of traded of traded of traded of trade	PURPOPOLIL Letest 94.29 94.24 93.96  FUTURE 95.33 94.53 94.55 94.55 94.55 94.55 94.55 94.55 94.55 94.55 94.55 94.55 94.55	AR (MAG) 8  Charge +0.05 +0.07 +0.07 +0.07  ES (MAG) \$  +0.10  day  DMIm p  DMIm p  1.02 0.10 0.10 0.10 0.10 0.10 0.10 0.1	95.30  Him points  High 94.34 94.02  Him per 100  95.36 94.56  points of 100  26 0  13 0.07  26 0  27 0  28 0  29 0  20	93.25 Low 94.78 94.78 94.78 94.10 95.25 94.70 94.43 443 443 443 443 443 443 443 443 443	57 190,57 313,958 144,678 3,909 402 218 PUTS — Q.04 0,13 0,13 190,144 190,144	975 Open ini 453,325 449,839 323,106 21,862 8,180 1,745 Oec 0.18 0.28
Juni LIFFE 1sts  TANNES  Suppose Man  Suppose Man  Suppose Man  All Open Intel SUPPOS  Strike Price Suppos  Su	63.25 ma traded of traded of traded of traded of traded of traded of trade	SS.30 APT  Latest 94.39 94.29 94.29 95.33 94.55 94.55 94.55 0 for previous (LFF)  CAL  AUD (L19 C.19 C.03 C.91 C.19 CAL  CAL  CAL  CAL  CAL  CAL  CAL  CAL	AR (MAA) 8  Charge +0.07 +0.07 +0.07 +0.03 +0.10 -0.10 -0.12 -0.12 -0.12 -0.12 -0.12 -0.13	95.30  Him points  High 94.34 94.22  Him per 100 95.36 94.67 94.56  cinta of 100 95.31 95.35 95.35 95.35 95.35 95.35 95.35 95.35 95.35 95.35 95.35 95.35 95.35	93.25 of 100% Low 94.75 94.10 95.25 94.70 94.43 95.25 94.70 94.43	57 180,857 313,958 144,678 3,909 402 218 PUTS Sep 0,04 0,13 0,13 1,1485 %	975 Open ini 453,325 449,839 323,106 21,862 8,180 1,745 Oec 0.18 0.28
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Juni LIFFE Note TARRES Sarp Dec Mar  LUS TR SARP Dec Mar  All Open int LUS TR STR SEP Fice LUS TR LU	95.28 max traded of traded of traded of traded of traded of traded of trade	SS.30 APT  EUROPOLL  Letest 94.29 94.24 93.96  ELL FUTUR  95.33 94.55 94.55 94.55 95 for previous  FORES (LEFT)  Out 10 O	AR (MAN) 1  Charge +0.05 +0.07 +0.07 +0.07 +0.07  ES (MAN) \$ +0.10 -10 -10 -10 -10 -10 -10 -10 -10 -10 -	95.30  Firm points  High 94.34 94.92  Firm per 100  95.36 94.67 94.56  Dints of 100  95.31 95.31 95.31 95.31 95.31 95.31 95.31 95.31 95.31 95.31	93.25 Low 94.78 94.78 94.78 94.70 95.25 94.43 95.25 94.43 60.01 7 0.10 2 0.39 2 0.	57 Est. vot. 190,357 313,958 144,678 3,909 402 216 PUTS — Sep. 0,04 0,13 0,54 Pum 15483 Pum 15483 Pum 15483	976 Open int 453,326 449,835 323,106 21,862 8,180 1,745 Oec 0.18 0.28 0.28
Juni LIFTE Note TARRES Sarp Dec Mar  All Open Int E SURIOR SSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSS	95.28 max traded of trade of trad	95.30 APT  Latest 94.26 94.26 93.96  MLL FUTUR  95.33 94.55	AR (Mark) 1 Charge +0.05 +0.07 +0.07 +0.07 +0.07 +0.07 +0.03 +0.10 -10 -10 -10 -10 -10 -10 -10 -10 -10 -	95.30  Him points  High 94.34 94.92  Him per 100  95.36 94.87 94.56  conta of 100  95.36 94.87 94.56  conta of 100  SFr Im po	93.25  Low 94.78  94.19  94.78  94.10  95.25  94.70  94.43  P4.43  P5.25  P5.25  P6.70  P6.10	57 Est. vot. 190,357 313,958 144,678 3,909 402 216 PUTS — Sep. 0,04 0,13 0,34 Pum 15483 PUTS — Dec 0,20 0,48 0,48 0,59	976 Open ini 453,322 449,839 323,106 21,862 8,180 1,745 Dec. 0,18 0,28 0,28 0,58

44 4	NED DO 10 00 00 00 00 00 00 00 00 00 00 00 00	FA Pro-	8.24 5.97 3.77 2.08 0.85 0.25 19	5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Sep B.34 6.21 4.32 2.74 1.81 1.85 v. day's ope Tona month 5 · 43 42 · 42 43 · 42 44 · 44 44 · 44	Three month 5/8 - 5 5 4 2 - 4 5 5 4 2 5 - 4 2	A 0. 0. 1. 2. 1. 6	09 41 14 50 36 1 Pulse 8	One year 6 <sup>1</sup> g - 1
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44	NET DO nil	FAT Y R	0.51 19 143	S TES 7 clays notice 5 - 44	One month 5 - 47 - 43 - 43 - 43	73.95 in int., Calls int., Cal	658,900 6 m 14 51 14 53	Six on the	4.84 00,500 One year 6 <sup>1</sup> 2 - 1
44	NET DO nil	Y R	tal	STES 7 days notice 5 - 44	One month  5 - 43 43 - 43 43 - 43	Three month 5/8 - 5 5 423 - 4 5 5 4 43	6 m 6 4 53	Six onths	Огіа уюзг 6 <sup>1</sup> 2 - 1
44	8 <sup>1</sup> 2 4 <sup>1</sup> 3 1900	Y R Wer- Wit 2 · 4	LAT	7 days notice 5 · 4%	5 · 4% 43 · 43 43 · 43 43 · 43	Three month  5/8 - 5  5 <sup>1</sup> 9 - 5  4 <sup>21</sup> / <sub>21</sub> - 4  5 - 4 <sup>2</sup> / <sub>2</sub>	6 m	onthe - 54	gig - I
44	8 <sup>1</sup> 2 4 <sup>1</sup> 3 1900	Y R Wer- Wit 2 · 4	LAT	7 days notice 5 · 4%	5 - 4% 43 - 43 43 - 43 43 - 43	5/6 · 5 5/6 · 5 5/6 · 5 421 · 4 5 · 42	6 m	onthe - 54	gig -
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Strike		CALLS -			PUTS	
Price	Sep	Dec	Mar	Sec		Mar
9450 9475	0.15	0.09	0.00	0.10		1.13
2500	0	0.04	0.03	0.45		1,57
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Arlam & D	8/ ompany 5,25		NDING	*		*
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Barros Bab	ao Viscaya 5.25	BG Hyper	s Marton	. 5.25	Royal Sk of Scott	
Bank of C,	DUS 525		ank AG Zurle		TSB	5.25
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Bark of Sa	525 offand 5.25		& Gen inv B		Unity Trust Bank Western Trust	PIC 5.25
	ark 5.25		& Co		Whitemay Laids	9-25 SV 5.26
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Brt Bk of A	da 4 4 - 1 LL C	Julian Hi	odpa Benk	. 525		
Brit Bk of A	MY & COLD 525		Joseph & Son	¥ 5.25	• Members of	
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Brit Bit of N Brown Ship Ct. Bank N Chibank Ni Chydeodela The Co-op Coults & C Cradii Lyer	iederland 5.25 A	Voyde B Meghati Mediand "Mount B Natiwest	enk Bank Ltd Bank	_5.25 _5.25 _ e _ 5.25	Association	



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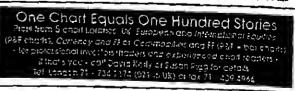


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### LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be Details relate to those securities not included in the FT Share Information

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given

Rule 535(2) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

British Funds, etc. Treasury 13<sup>1</sup>4% Sts. 2000/03 - £125<sup>1</sup>4 Guaranthed Export Finance Corp PLC 12<sup>7</sup>4% Gtd Ln Stk 2002/Reg) - £121<sup>1</sup>6 (12.ly94)

Corporation and County Stocks London County 21/2% Core Stk 1920(or after)
- £271/2

Birmingham Corp 21/2% Stk 1926(or after) -£25 (12.k/94) Birmingham Corp 3% Six 1947(or after) - 330/2 (12/y94) Birmingham Corp 3% (1902) 1932(or after) - 630 (12/y94) 230 (12,1734) Immingham Corp 3<sup>1</sup>2% Stk 1946(or after) -235 (12,1784) Incibum Corp 3<sup>1</sup>2% Ind Stk - 235 (12,1794) Stactburn Corp 3/2% Ind Str. : 355 (12,194) Dudley Metropolism Serough Council?% In Str. 2019 (Regi(F/P) - C811; 2 - C4 (8,1);34 Kennington & Chalescalloyal Borough)11,15% Red Str. 2005 - C111 (13,1);94) Leade(City of) 13/2% Red Str. 2006 - C130/4 (12,1);94)

Uncoln Corp 3% Red Stk 1919(or after) - £30 alford (City of 7% Ln Stx 2019(Reg)(F/P) -982() (13Jy94) ranesa Corp Stk(31<sub>2</sub>%) - £35 (12Jy94)

**UK Public Boards** Forth Ports Authority 3%% Funded Debt -£39 (12Jy94)

Foreign Stocks, Bonds, etc-(coupons payable in London) File De Janeiro/State of/Srzzii 7% Sitg Ln 1927/Plan A - now 2½ %) - 239 (11,1/94) Abbey Mattional Stenting Capital PLCS½ % Subord Gtd Bds 2004/BrCVares - 256, 2 Abbey Mattional Treasury Servis PLC 7% % Gtd Nin 1986 (81 %) - 238, 237 % 2 Abbey National Treasury Servis PLC 656 Gtd Abbey National Treasury Serva Face Bdn 2008 (Br £ Var) - £85% 4.2 % Aver Incomposated 4% Bdn 2001 (Br\$

Armyl Group PLC 81/9% Bds 2000(Br£Var) Argyr Group PLL 6-3% Nin 2004(Britvari-008)
Berclays Bonk PLC 6-5% Nin 2004(Britvari-ous) - 0842 % (13.9)94)
Berclays Bonk PLC 7-875% Undeted Subord Nin (Br 1 Var) - 086 (11.9)49 Sanchays Bank PLC 9-876% Undeted Subord Copinal Bols(Br2 Var) - 089% % (13.9)94) Barclays Bank PLC 9-875% Undeted Subord

99153y3 Senk P.C. 9.875% Undated Subcard Nth - 598 t, (13.1)49 Bercleys Benk P.C. 10% th Sen Sub Bats 1837(85:10006 10000) - t1041, (8.1)49, 381fags P.C. 8 1/4 Perp Subcard Nts (8.12Vert out) - 596(1) 1, Filip Ris Associated Building Society Colored Filip Ris 2003 (Br £ Var) - 193 95 Histoi & West Building Society 104 % Subord Bds 2018 (Br £ Var) - £103,7 %

British Gas Inti Finance BV B1, % Gtd Bds 1997 (Br \$10008.10000) - \$99.7 (11.)/349 British Gas Inti Finance BV 101, % Gtd Bds 1994(Br \$C10008.10000) - \$C1021, 1027,

Bds 2021 (Br Sver) - \$10.35 (11.)44() British Gao PLC 75/96 Nm (997 (Br E Var) -5967/6 64 (11.)46() British Gus PLC 75/96 (Bds 2000 (Br E Var) -Entitle Ges PLC 7-7-6 Bds 2000 (Br £ Vzs) -£96 (13.1/94) Entish Ges PLC 8-7-6 Bds 2003 (Br £ Vzs) -£96 & 325 ½ (13.1/94) Entish Lund Co PLC 8,875 % Bds 2023 (Br £ Var) - £91 & (12.1/94) Bettish Telecommunications PLC Zero Chri

van - 1371 % (12.1/94) British Telecommunications PLC Zero Con Bos 2000(95/C1000810000) - 582 % British Telecommunications PLC 7% % Bots 2003 (Br £ Var) - 531 British Telecommunications PLC 12% % Bots British Telecommunications PLC 12% % Bots COT I. VIRT - SST

British Telecommunications PLC 12<sup>1</sup>4 % Bela 2004 - \$128<sup>1</sup>2 (13.9)49 Bela 2004 - \$128<sup>1</sup>2 (13.9)49 Bermath Control Capital/Lensey) Let \$1.9% Cov Cap Bela 2008 (Reg \$1000) - \$148<sup>1</sup>2 Cov Cap Bela 2008 (Reg \$1000) - \$148<sup>1</sup>2 (17.9)49 Dermate/Region of \$4.% No. 1398 (Br C Var) - \$28.5 & (12.9)49 Bermate/Region of \$4.% No. 1398 (Br C Var) - \$28.5 & (12.9

of 11%% Bds 1984 se N.V. 714% Gtd Bds 2003 (Br C Electricity PLC 8-1% Bds 2004(BrC vara - 2373 (12794) W Enterprise Present PLC 84, % Gud Exch Bds 2006 (Reg £5000) - 238½ 4, 8 (13794) El Enterprise Prismon PLC 84, % Gud Exch Bds 2006(9:£50008100000) - £973, % 84,840.0

(BJy94) Financificpublic of 94 % Nts 1987 (Br£ Vov) - £104,855 Finand(Republic of) 103x96 Bds 1995 - £105 (113/94) Forte PLC 9%% Bds 2003 (Br & Var) - 596%

Purison Foto 92's Chin Seator 2000 (28' Chin) - C108's, 12's (154)444

Harmon PLC 10'9% Bdn 1897 (Br SVar) - C105 (124)44

Harrisons & Crosfield PLC 7'2% Sub Criv
Bde 2005(BrC10006 10000) - C104's (124)49

Importal Chemical Industries PLC 11's '8 Bdn
1995(BrC3000) - C102's (114)44

International Bank for Fisc & Dev 94's Bde
2007 (8x55000) - C102's 14's

International Bank for Fisc & Dev 10's Nis
1988 (8x55000) - C102's (124)44

International Bank for Fisc & Dev 10's Nis
1988 (8x55000) - C102's (124)44

Inaly/Republic of 10'2's Bdn 20's

BrC10000850000) - C110 (124)43

Karnal Electric Power Co Inc 7's Nis 1998

(Br C Var) - S98's

Kyushu Electric Power Co Inc 7's Nis 1997

(Br C Var) - C98's

Ladornies Group Finesco(Nasoy)Ld 9's Criv

(gr. C. Vari - 1994) 100 112,1944)
Lactorios Group Fineros, lessey L. 1946 Crv.
Cep Side 2006 (gr.150008.10000) - 1948 Crv.
Cep Side 2006 (gr.150008.10000) - 1948 Crv.
Cep Side 2006 (gr.150008.10000) - 1968 Crv.
Cep Side 2006 (gr.150008.10000) - 1969 Crv.
Cep Side 2006 (gr.150008.10000) - 1969 Crv.
Land Securities PLC 91/96 Crv. Side 2004 (gr.150008.5000) - 11112/9
Land Securities PLC 91/96 Crv. Side 2004 (gr.150008.5000) - 11112/9 Lands Permanent Building Society 71/96 Nts 1997 (gr.140) - 1977 (111)/94 (lands Permanent Building Society 71/96 Nts 1988 (gr. 17 Var) - 1979 Subord Side 2004 (gr.150008.1000) - 1111/96 Subord Side 2004 (gr.150008.100) - 111/96 Subord Side 2004 (gr.150008.1000) - 111/96 Crv. 111/96 Crv. 111/96 Crv. 111/96 Subord Side 2004 (gr.150008.1000) - 111/96 Subord Side 2004 (gr.150008.10000) - 111/96 Subord Side 2004 (gr.150008.10000) - 111/96 Subord Side 2004 (gr.150008.10000) - 111/96 Side 2004 (gr.1500

- 2101 % (133/94) METC PLC 104/94 Bds 2003(B-C1000810000) - 2101 % 24

nal Grid Co PLC 73r% Bde 1998 (Br S National Grid CD MLC 7-574 DOE 1250 pt 1 Vari - 5284 National Power PLC 10746 Bds 2001 (Br C100008 100000) - £107.05 (12.5/94) Netional & Provincial Bidg Scotary 84-56 Nts 1986 (Br £ Var) - 538.6

‡ Bargains at special prices. • Bargains done the previous day. fatfonal Westminster Bank PLC 1112% Und-SubNts £1000(City to PriPleg - £106% (13JV94)

ational Westminster Bank PLC 1132% Und-SubAta £1000(Cnv to PriiBr - £1084; SUSME ETHODUCATI TO FIRST (11,909) Nationwide Building Society 114,96 Na 1995 (Br ESO008100000) - E102,975 (13,999) Nationwide Building Society 13,596 Subord Na 2000 (Br E10000) - E1194 Con Na 2000 (Br E10000) - E1194

informatic Building Society Zero Con No. 1998 (Br £ Var) - £70½ (12Jy94) lorthem Rock Building Society 10½% Subord Bots 2016 (Br £ Var) - £104.2 ½ (Touyan) Northumbran Water Group PLC 9<sup>1</sup>4% 8ds 2002 (Br 2 Var) - 2101 <sup>1</sup>4 Osaku Gas Ço Ld 8.125% 8ds 2003 (Br 2 Var) - 1934, (11,1/94) barson Sterling Finance PLC 10 4% Gad 8ds 2002 - 1107.2 (12,1/94)

Gds 2002 - £107.2 (12.4)44 PowerGen PLC 6<sup>2</sup>/<sub>3</sub> % 6ds 2003 (Br £100008 100000) - £98.7 (8.1)94 RTZ Cameda Inc 74.9% Gid Bds 1596(8r550008 100000) - £95<sup>2</sup>/<sub>3</sub> ½ Rank Organization PLC 8<sup>2</sup>/<sub>3</sub> % Bds 2000 (Br £ Var) - £98<sup>2</sup>/<sub>2</sub> Rediand Capital PLC 7<sup>2</sup>/<sub>4</sub> % Criv Eda 2002(8r£10008 10000) - £103 (11.1)94 Robert Reming Int Finnes Ld 9<sup>2</sup>/<sub>4</sub> % Perp Subord Gtd Nin (Br £ Var) - £96<sup>2</sup>/<sub>3</sub> Robert Florning Nationalmost BV PrinCapUnd-PlugFlashita (8r£100008,00000) - £38

(11Jys4) othechids Continuation Fin(C.I)Ld8% Perp Subord Glid Nes (BrEVarious) - 2841<sub>2</sub> Hormontels Continuation Fin(C.)), 1894 Per Subord Carl Mis (RFV/Infous). 9845 Poyal Bank of Scotland PLC 6\*4% Bds 2004(BFV/Inf) - 2544. Royal Bank of Scotland PLC 94, % Undesed Subord 8ds (BF 2 Var) - 2545. Royal Insurance Hidge PLC 94, % Subord Bds 2005 (BF 2 Var) - 256.7 Selesbury(J) PLC 124, % Mis 1996(BFC1000610000) - 2103-24 Sainsbury (J), (Channel Infonda)(J 8/2%Cm/Cap9ds 2005(BF 250008100000) [1281-9

2012 W FIT Trent PLC 1112% Bds 1998 (Br 250006100000) - £1112 evern Trent PLC 113,96 Bds 2001 (Br 250006100000) - £110.2675 (8Jy9-9 cere Navigation Corporation 3.75 2003 (Gr \$100008100000) - \$103 2003 (6\* \$100003 100000) - \$103
Shough Estatus PLC 10\*/ Bids
2007(Br21000510000) - \$2932 \( \) (12.b)94)
Smithidine Beecham Capital PLC 7 \( \) % Gad
Nis 1998 (6\* 2 Var) - 2593 \( \) \( \) (13.b)94)
Smithidine Beecham Capital PLC 8\( \) % Gad
Nis 1998 (6\* 2 Var) - 2594 \( \) % (Gad
Nis 1998 (6\* 2 Var) - 2594 \( \) 7
Tarmer Finance (Jersey) Ld 9/2% (Crv Cap)
Bids 2008 (f)92 \$1000 - 2704
Tarte 8 \( \) in Finance PLC 8% Gad Bids
1099(Br210000\$100000) - 296 (12.b)94)
Tata 8 \( \) (In Finance PLC 5\( \) % Gad Bids
2001 (Br 25000) - 2944 \( \) (11.b)94)
TatasiLyfe ImFin PLC 5\( \) (12.b)94
TatasiLyfe ImFin PLC/TatasiLyfe PLC 5\( \) %
78\( \) (13.b)94
TatasiLyfe ImFin PLC/TatasiLyfe PLC 5\( \) %
T8\( \) (13.b)94

ES4124 544 Tasco PLC 81,94 Side 2009(BrEVers)(FyPd) -596.4 (12Jy94) Tesco Capital Ld 9% Cru Cap 8ds 2005(Flag 7asco Capital Ld 9% Chr Cap Bds 2005@F25000&10000) - \$112% (12.ly64)

Thames Water PLC 9/2% Christoardists 2009(8/25000850000) - C118 (13Jy94) 3/ International EV 7/4 % Gtd Bda 2003 (Br g Trachigar House PLC 107,94 Eds 2014 (Br\$10000&100000) - \$105% .8 port summer (MUNUT) + 12105-1, 38 Therefore Corporation of Victore 81, 56 Gtd Bde 2005 (87 £ Var) - 297-12 (12.1y44) U-Ming Marke Transport Corporation 1 2/5 Bds 2001 (Reg in Mult \$1000) - 394 United Kingdom 71/95 Gds 1997(8-10M10008-10000) - 0M103.15

133/901 makes reason of the territory (133/94)
Westurg E.C.J. Group PLC 9% Perp Subord
Nts (FepNinser) - 286% (133/94)
Wests Water Unities France PLC 7% Cad
Bds 2014(9:0/49/97/9) - 21,85 Side 2014(9):(Van)P/P) - £11,95 Woohelch Building Society 79% Nm 1998 (Br £ Vm) - £093 (E);94) Woohelch Building Society 101g/% Subord Nts 2017 (Br £ Vm) - £102¢ Yues Foong Yu Paper Mig Ca Ld 29% Compo-rate Bell 1999(B-510000) - \$119 (12Jy94) Firland(Figuebbe of) FF8000m 79% Debt Ins 15/6/2004 - FF85.15 (12Jy94) Haifley Building Society \$250m 41g/% Ntw 20/ Halidax Bullaing Society \$550m 41% Nte 29/ 458 63\* \$ Vell - \$67% 97.9 New South Welen Treasury Corp \$A70m 7% Global 5x Bds 172/2000 - \$1 (11/998) Goldel Ex Ban 12/2000 - Et (11.1/94) Sweden/Origician of Ecolom 74, % Nor 3/2/ 87 - 138.845 .837 8 1<sub>4</sub> Sweden/Grigdom of 12/50m 7% instruments 53/12/96 - 135-5, (12.1/94) Sweden/Grigdom of 18/14/00m 8,25% Debt Instr 5/5/59 - ECOM-7, 85-6, (12.1/94) Sweden/Grigdom of 13/50m 75-7% Bds 28/7/ 2000 - 1341-2 (13.1/94)

Sterling Issues by Overseas **Borrowers** 

EO(TTOWERS)

Asker Development Burst 104/94 Ln Silk 2009Flogs - C11014 (8,1)44)

Borst of Greece 101/94 Ln Silk 2010Flogs - C572 (11/94)

European Investment Burst 974 Ln Silk 2001 (flogs - C10214 12 (13/94)

European Investment Burst 91/94 Ln Silk 2009 - C106/8 J322 (11/94)

European Investment Burst 101/96 Ln Silk 2009 - C106/8 J322 (11/94)

European Investment Burst 101/96 Ln Silk 2004Flogs - C11114 (8,1)44 Ln Silk 2002Flogs - C11314 (2,1)44 (11/94 Ln Silk 2002Flogs - C11314 (2,1)44 (11/94 Ln Silk 2016 - C1414 (8,1)44 (11/94 Ln Silk 2016 - C1414 (8,1)44 (11/94 Ln Silk 2010Flogs - C106 Silk 2016 - C106 Silk 2010Flogs - C106

Informational Dates for resolution SSR 2010[reg] - C106
New Zendand 114,96 Sth 2000[reg] - C1184
Portugal[Flep of 976 Ln Sth 2016[Fleg] C1011, (133/94)
Portugal[Flep of 976 Ln Sth 2016[R) - C1011, ETITING (13-5/ms)
Portugatifep of 9% in Six 2016(br) - £101%
(153-96)
Province do Clusbec 12 % fi in Six 2020 £127½ (123/96)
Spain(Kangdom of 11 % fi in Six 2010(Reg) £127½ (113/96)
Sweder/Kingdom of 13.5% in Six 2010(Reg) £107½
Transcaracia Pleelines Ld 16½ fi 1st King
Pipe Line Bals 2007 - £145 (133/94)

Listed Companies(excluding Investment Trusts)

ASH Capital FinanceLiorsoy)Ld 9<sup>1</sup>2 % Criv Cap Bide 2006 (Peg Units 100p) - 582 (13.)y54) Abtrust Alias Fund Sha of NPV(United States Portfolio) - 52.345344 (8.)y54) Austoring Group PLC 7-1 % Criv Red Cum Pd 51 - 52<sup>1</sup>4 (12.)y34) Astrona Melaysian Growth Fund(Caymen)Ld Ord 50.01 - \$11<sup>1</sup>4, 11<sup>1</sup>4, 11<sup>1</sup>4, 11<sup>1</sup>4 Alifow Streamfines PLC 10% Cum Pd 51 104 (13.)y340

104 (13.4/34)
Nexander & Ausonder Services Inc Stra of Class C Corn Str. 51 - £107<sub>6</sub> (12.3/94)
Nexon Group PLC 6.25p (Net) Chr Curn Red Pri 10; -49 (13.1/94)
NiscHyone PLC ADR (1:1) - \$8.52 85<sub>8</sub> Alised-Lyons PLC AUM (1:1) - 90.5x org (12L)94) Alised-Lyons PLC 71<sub>2</sub>% Cum Pri £1 - 78 (11L)94) Alised-Lyons PLC 64/% Une Ln Stk - £57 (11L)94) Alised-Lyons PLC 64/% Une Ln Stk - £53<sup>1</sup>2 (12,1/94) Allied-Lyons PLC 71<sub>2</sub>% Lins Ln Sik - 680 (13,1/94) Allied-Lyons PLC 71<sub>4</sub>% Una Ln Sik 82/98 -

Allied-Lyons Pinancial Services PLC83, % GtdCnvSubordBds2008 RegMut6:1000 -C109½ ¾ AMBIG-LYONE Financial Services PLC8-½% Gld Chrv Suborn Bde 2000(βr € Var) - €106½ ∯ Alvis PLC 5.5% Chrv Cam Non-Vig Red Pri €1 - 73 (84)647) American Brands Inc She of Cum Sik \$3.125 - \$31 ½ mentech Corp Sns of Com Stx \$1 - \$385

Netional Westmashir Bank PLC 113 % Subord Nts 2001 (Br EVar) - £1124 (134)99 (12JV94) Anglan Water PLC 51/1% Index-Linked LnSik 2008(8.2976%) - 6731% (12Jy94)

### FT-SE ACTUARIES INDICES

The FT-SE 100, FT-SE Mid 250 and FT-SE Actuaries 350 indices and the FT-SE Actuaries Industry Beskets are calculated by The International Stock Exchange of the United Kingdom and Republic of Ireland Limited. O The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1994. All rights reserved.

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ζ.

Anglo-Eastern Plantations PLC Warrants, to sub for Ord - 29 Angloved Ld N Ord R0.0001 - \$274, 27,85

28 Property Hidgs PLC 10 5/18% 1st lang Deb Six 2011 - E102<sup>1</sup>2 (11Jy94) Asperty PLC 9<sup>1</sup>1% Cum Pri E1 - 107<sup>1</sup>4 8<sup>1</sup>4 (8Jy94) Associated British Engineering PLC 4.2% Cum Pri E1 - 40 3 3 Associated British Foode PLC 7<sup>1</sup>2% Une Ln Six 87/2022 50p - 45 (12Jy94) Attwoods Finshnog NV 8<sup>1</sup>2p Gid Red Crw Pri Sp - 55 (12Jy94) Attwoods Finshnog NV 8<sup>1</sup>2p Gid Red Crw Pri Sp - 55 (12Jy94) Automated Security/Hidge) PLC 5% Crw Cum

ap - 35 (12/1949) Automated Sacurity(Hadge) PLC 5% One Cum Had Pri £1 - 78 (11/1944) Automated Security(Hadge) PLC 6% One Cum Red Pri £1 - 58 ½ 60 1 re Products PLC 9% Cum Pri E1 -100 (6Jy84) B.A.T Industries PLC ADR (2:1) - \$13.15\$ BET PLC ADR MAI - SOLO

BM Group PLC 4.50 (Net) Criv Cum Red Pri 20p - 51 (11J)(94) BOC Group PLC ADR (1:1) - \$10.86 (123/94) BTP PLC 7.50(Net) GW Cum Red Pri 10p -197
BRP PLC ADR (4.1) - \$24.12 (13.1)-61
BR PLC ADR (4.1) - \$24.12 (13.1)-61
BR PLC ADR (4.1) - \$2 (11.1)-61
Bampion Hodgs Ld \$4.76 Uns Ln Six 2002/07
- \$30 (11.1)-64
Bampion Property Group Ld 74.76 Uns Ln Six (17.6)
Bampion Property Group Ld 74.76 Uns Ln Six (17.6)
Bampion Investments Ld Pig Red Pri \$0.01 - \$120 (11.1)-64
Sank of Investments Ld Pig Red Pri \$0.01 - \$120 (11.1)-64
Sank of Investments Six Pig Red Pri \$0.01

enk of ireland(Governor & Co of) Units NCP Sik Sin A 21 & 23 Uquidation - 2114 (11JyS4) Januar Homes Group PLC Ord 10p - 131 5 5

8
Bercleys PLC ADR (4:1) - \$355<sub>4</sub>
Bercleys Bark PLC 12% Una Cap Ln Stk
2010 - \$120 (124,64)
Bercleys Bark PLC 16% Una Cap Ln Stk
2002/07 - \$1984<sub>6</sub> (134,94)
Bardon Group PLC 7.25p (4:4) Criv Red Pri
250.260 oup PLC 11.25p Cum Fled Pri 2005 10p - 106 Serings PLC 54,% Cum 1st Pri £1 - 72 5 rings PLC 8% Cum 2nd Pri E1 - 974 rings PLC 94% Non-Cum Pri E1 - 116 4

(13Jyse) Bass PLC 74,% Une Ln Sti 22/97 - 9964, Bass Investments PLC 74,% Uns Ln Sti 92/ 97 - <u>69</u>7 

NK(65:16 57 shifted Building Soc 9½% Parm int Bearing She \$1000 - 297.95 6 AS 1, 1, 81; 81; 81 shifted PLC 9% Curn Red Pri £1 - 30½ (13)/969 PLC 9% Curn Red Pri £1 - 30½ (13)/969 PLC 9% Curn Red Pri £1 - 30½ (13)/969 PLC 9% Curn Red Pri £1 - 35.06 PLC Circle Industries PLC 61/9% 2nd Cheb Six 1964/2009 - £72 (12)/969 PLC 61/9% 2nd Cheb Six 1964/2009 - £72 (12)/969 PLC 61/9% Une Ln Six(1975 or six) - 55.64 (13)/969 Hendel-Permoglace Hidge PLC 71, % Una Ln Stk 90/55 - 995 (13.)/949 loots Co PLC 47/7 Boots Co PLC ADR (2-1) - \$16.86 Bradford & Bingtoy Building Society11\*4% Perm int Beering Sha C10000 - £1144, 5 %

8
Bractions & Dingley Bulleting Society 13%
Perm Int Bearing Sha £10000 - £1294 &
Bracklond Property Trust PLC 1012% Cure Prf £1 - 120 (7.11/94)
Brack Walley Group PLC Was to Sub for Ord Brant Walfor Group PLC 8.5% 3rd Non-Cum Gre Red 2007/10 51 - 21, 12 Bristol Walter PLC 81,% Cum brid Pri 51 -111 (11.5/94)

283<sup>1</sup>/<sub>2</sub> (13.994)
Bristol Water Hidge PLC Ord £1 - 350
Bristol Water Hidge PLC 0rd £1 - 350
Bristol Water Hidge PLC 8.76% Cam Orw
Fled Pt 1998 5to £1 - 185 (12.964)
Bristol & West Building Society 13<sup>1</sup>/<sub>2</sub>% Perm
Int Bearing Ste £1000 - £126
Butterwis Building Society 13<sup>1</sup>/<sub>2</sub> (1 kitarwia Building Society 13% Perm ing Beering Sne \$1000 - \$123<sup>1</sup>2 4 4 4 4 kitish Almeyer PLC AOPI (10:1) - \$68<sup>1</sup>2 .65 %

steam Film Holge PLC Ord Stk Stituth & Arrestam Film Hidge PLC Ord Stit 57 - 1912 912 (114):949 Brisish-Armstam Tohasco Co Loi 8% 2nd Cum Pri Stit E1 - 69 3 (124):849 British Pekrisiam Co PLC 8% Cum 1st Pri E1 - 7814 (134):949 British Polytame instables PLC 9.25% Cum Flod Pri E1 - 105 (134):949 British Polytame instables PLC 9.25% Cum Flod Pri E1 - 105 (134):949 British Steel PLC 4.07 (10-1) - 52-14, 45, 47 - 55 62418 74 8- 8741 British Sugar PLC 10-16% Flod Deb Stit, 2013 - 51176

tate PLC 9.50% 1st Mg Deb Stk Philon Exists PLC 10-1% 1st Mg Deb Sti. 2012 - C114-1 (13.1/94) 1 PLC 7% City Uma Lri Sitk 95/97 - 2103

(13)/96) Burmain Castrol PLC 8% Cum Pri S1 - 78 Burmaine Investments PLC 15% Uns Ln Sti 2007/12 - S117 (8)/96) Burton Group PLC 8% Cre Uns Ln Sti 1988/ 2001 - SSA

Butte Mining PLC 10% (Mod) Circ Cure Red
Pd 1989 110 - 3 (13)/949

GALA PLC 4% Cure Red Pd 151 - 32 (12)/949

GALA PLC 4% Cure Red Pd 151 - 32 (12)/949

GRIB PLC 7% "N" Cure Pd 151 - 180.7

California Energy Co Inc Sha of Corn Stk

50,0673 - 210.616224

Cambridge Water Co Corns Ord Stk - 25400

(11)/949

Capital & Courrier, PLC 87; % 1st Mitg Deb

Six 2027 - 12027, 81,949

Carlton Communications PLC ADR (2:1) 527,96

Carton Communications PLC 75% Circ

S27.95
Centron Communications PLC 74.95 Cm
Subard Eds 2007(Reg ES000) - E133
(12.)/9-9
Cestor PLC 10.25% Com Pri E1 - 110
(8.)/9-9
Categories The Shis of Com Six \$1 - \$1007<sub>2</sub>
(13.)/9-9
Cetter Communication Shis of Com Six \$1 - \$1007<sub>2</sub>
(13.)/9-9
Cetter Communication Shis of Com Six \$1 - \$1007<sub>2</sub>

(13Jy94)
Centex Corporation Shs of Corn Stx \$0.25 - \$25
Charters Corporation Holge Ld 7½ % Uns Ln Stx 50p - 36 (8Jy94)
Chatterinam & Choucoster Build Soc 1 1½ % Perm Int Bearing Shs \$50000 - £116% Now Recedeurse PLC Ord 25p - St

Chepstow Racocourse PLC Ord 25p - £8 (131)94 (121)94 (121)94 (127)94 (127)94 (127)94 (127)94 (127)94 (127)95 (

Commercial Union PLC 83/1% Cum and Per 21 - 1081/2 14 C1 - 108/2 &
Commercial Union PLC SI,1% Curn and Pri
C1 - 107 &
C0-Operative Bank PLC \$25% Non-Curn and
Pri C1 - 1114 &
College Group PLC 4.9% Pid Ord 50p - 56
H1.1040 (113/94) 2004000 Group PLC 4.9% Cum Pri E1 - 69 Coolson Group PLC 4.9% Cum Pri E1 - 69 (11.1/64) Cooper Fredericki PLC 6.5p (Net) Cnv Red Cum Prig Pri 10p - 94/4 ¢ Courtaidts PLC 52/6 Lins Ln Stk 94/96 -536

Courbuick PLC 7-6 % Une Ln 9% 2000/06 -£28 9 (134/94) Coverty Building Society 123/8 Perm inter-est Bearing Ste 21000 - £1153/9 Daily Med & General Trust PLC Ord 50p -E13.2 (13.ly94)
Dailpety PLC 4.85% Cum Pri E1 - 67 (12.ly94)
Debenhams PLC 7<sup>1</sup>4% Uns Ln Stx 2002/07 -E84 (13.1y94) Delta PLC 104,% Deb Stk 95/59 - £1021<sub>2</sub> (8.1y94) ora PLC 6.25% Cum Grw Red Prf C1 -

Develop PLC Ord 10p - 69 (11J)64 Develop Com Six \$1 - \$38<sup>1</sup>2 (12J)64 Dunlop Plantations Ld 8% Cum Pri \$1 - 82 (13Jy94) El Oro Mining&Exploration Ca PLC Ord 10p -EvalWimbledoni PLC Ord 25p - £4.55

- 63 5
English Chrisi Clays, PLC ADR (3:1) - \$15<sup>1</sup>s,
English Chrisi Clays, PLC ADR (3:1) - \$15<sup>1</sup>s,
Encasor (1, M.) (Telefonaldischlager) 5er
9F ag (30 400 1 r. 48, 55 2 g. 43 ½ 5.34
Essex and Sulfock Water PLC 9<sup>2</sup>s % Fied Dato
98: 97/99 - £104<sup>1</sup>s,
Essex and Sulfock Water PLC 11<sup>1</sup>s, % Fied Dato
98: 97/99 - £102<sup>1</sup>s,
Essex and Sulfock Water PLC 11<sup>1</sup>s, % Fied
Dato Six 2002/00 - £112<sup>2</sup>s (12)y94)
Euro Disney 3.C.A. She FFS (Depository
Receipts) - \$2.15 p. 122 3 6
Euro Disney 3.C.A. She FFS (Depository
Receipts) - \$2.15 p. 122 3 6
Euro Disney 3.C.A. She FFS (Depository
Receipts) - \$2.15 p. 122 3 6
Euro Disney 3.C.A. She FFS (Depository
Receipts) - \$2.15 p. 122 3 6
Euro Disney 3.C.A. She FFS (Big Covarn Inscribed) - £2.74¢ FF22<sup>1</sup>g¢
980

.89th Fatcon Holdings PLC Ond Sp - 116 (12)/54 Fatcon Holdings PLC Ond Sp - 116 (12)/54 Fitspillemes(PLC 4.2% Cum 2nd Pri Six Si - 61 (13)/64 Firsbury Avenue Estates PLC 11% 1st Mtg Deb Six 2014 - 2119(§ § First Chicago Corp Cum Six 35 - 548), First National Building Society 11% % Perm hrt Beering Sha E10000 - 21023/4 First National Firence Corp PLC 7% Can Cum Red Pri Si - 130
Fisons PLC ADR (4:1) - 333, 53 (11.5/94)

Fleoris PLC 57:1% Uns Ln Stk 2004/08 - 270 (13)94 Folkes Group PLC Ord 59 - 41 3 (83)94 Forts PLC 9.1% Une Ln Stk 95/2000 - 53 100

Num & Mason PLC Ord Stk E1 - 136 TOTALING RECOVERY HOUSE PLC 44/16 Gray Cure Red Pri 21 - 73 (84/96) 27 - 73 SAMPH)
Friendly Hobbis PLC 7% Cav Cum Red Pri 21
- 85 (11Jy94)
Fuller Smith & Turner PLC 8% 2nd Cum Pri

£1 - 88 (6.1794) CIKN PLC ADR (1:1) - \$91<sub>2</sub> (11.1794) CIN Great Nordic Lei She DK100 - DK546,67 G.T. Chile Growth Fund Ld Ord S1.01 - \$26 General Accident PLC 74% Cum Ind Pri C1 - 100<sup>1</sup>2 k General Accord adent PLC 87, % Ours Int Pri 21 General Accident PLD on the Color PLC7 4 %
105½ %
General Acc Freatile Asso Corp PLC7 4 %
Uns Ln St. 92:97 - 999%
General Exercic Co PLC ADR (1:1) - \$4.32
General Exercic Co PLC ADR (1:1) - \$4.32
Gestation Hotos PLC Ord Cop 255 - 145
Gibts & Dandy PLC Ord 10p - 38 85
112.1994

2000 Group Let 7% % Ung Ln 90k 85/95 50p. d International PLC 74% Cum Pri £1 monet PLC 10%% Une La Ste

Grant Universit Stores PLC S<sup>1</sup><sub>2</sub>% Red Uns Ln Stx - 522 (13.1/94) Grant Universit Stores PLC 8<sup>1</sup><sub>2</sub>% Red Uns Ln Stx - 534 (12.1/94) Greentels Group PLC 8<sup>1</sup>4 Curn Pd S1 - 154 (13.1/94)

(13),901
Grannika Group PLC 7% Chr Subord Bde
2003 Rego - 21044
Guinness PLC ADR (5:1) - 222,180 \$ 343-6
HSBC Hidgs PLC Ord SH10 Hong Korp
Reg - 27,08 SH8,8985 54, 3 338622
35785 484501 13 8 8 81,753636
HSBC Hidgs PLC 11.89% Subord Bds 2002
(Reg - 2105 8 10 12
HSBC Hidgs PLC 11.89% Subord Bds 2002
(Reg - 2105 8 10 12
HSBC Hidgs PLC 11.89% Subord Bds 2002
(Br Cysr) - 2111
Habitas Building Society Blaw Perm Int SearIng Sha 250000 - 2881
Helling Raiding Society 12% Perm Int Bearelifet Building Society 12% Perm Int Beer-ing She C1 (Reg \$50000) - £1 1912 4

(13,)64) sale in the part of t (Balyery) Heroules Inc Sins of Corn Silk of HPV -\$1074 (122/94) Hewitz Group PLC 10% Curn Pri 21 - 100

Harmon Group PLC 1076 Curr Pri 21 - 100
(11.1)/54 |
HE Samual Starting Pland Int Fd Ptg Red Pri
19 - 124 (A.)/54 |
Homes Protection Group Inc She of Corn Str.
\$0.25 - 26.30 |
Houston Engage Companion Ld 11 late Date Housing Pinance Corporation Ld 11 2% Dob Six 2016 - E112 (6.1)96 IS Hamileyen Fund MV Ord FLO.01 - \$16.26 16/26 Group PLC City Curn Fled Prf 20p -117 8 at Control Services Grp PLCOrd 10p -

138 at (11/394) int Stock Exchange of UKARsp of Mut 71/46 May Deb Stk 90/85 - 0391/4 (13.5/94) int Stock Exchange of UKARsp of 91/01/96 May Deb Stk 2018 - 01/04/4 (13.5/44) into Life PLC Ord #00.10 - 82 p 197 7 7/2 into Life PLC Ord #00.10 - 82 p 197 7 7/2 Jardine Matheson Hidgs Ld Ord \$0.25 Plong Kong Register) - \$145974 ,7522 80.38 .557184 .557185

Cam Pri C1 - 120 (30/95) chneon Group Cleaners PLC 7.5p (hiet) Cre Cam Red Pri 10p - 144 (123/95) chneon Group Cleaners PLC 99: Cum Pri others straig 21 - 90 (50/99) - - - - Abathey PLC 8% Criv Cum Pri S1 -Kinglisher PLC ADR (2:1) - \$164, (12.1/94) Kingsley & Former Group PLC 2.85% Cum Europe Fund Ld ShallOR to 8n \$0.10 (Opr 7) - 38 (11Jy94) Nammer A.S. Free A Shu NK12.50 - NK208.3 Ladoroka Group PLC ADR (1:1) - \$2.7 2%

Land Securities PLC 9% 1st Nto Deb Six 96/ LASMO PLC 104% Oct 8K 2009 - \$10672 LASMO PLC 10<sup>12</sup>/<sub>2</sub>% Out Six 2009 - £106<sup>12</sup>/<sub>2</sub> (135/ph) Labore Pretrum Mines Ld Ord R0.01 -72A.02 (123/ph) Leads & Hatbook Building Society 13<sup>1</sup>/<sub>2</sub>% Perm Int Seeing Sins C1000 - £126<sup>1</sup>/<sub>2</sub> Leads Permins Beering 150000 - £135<sup>1</sup>/<sub>2</sub> (awts[c019]Perminship PLC 576 Cum Pri Six £1 - 53 (124/ph) Leads[c019]Perminship PLC 7<sup>1</sup>/<sub>2</sub>% Cum Pri Six £1 - 75 (24/ph) London International Group PLC ADR (5:1) -\$5.05

London Securities PLC Ord 1p = 2% London Securities PLC Ord 1p = 2% London PLC ADR (1:1) = \$2.1 (13.1/94) Londons PLC 8% Own Cum Red Pri \$1 - 130

4 (White A Co PLC 6.75% Cum Orw Red Pri Ct - 199 12 3 ½ 4 6 7 Lowelfobert HJ 6 Co PLC 6.75% (Net) Cre Cum Red Pri 10- 12 3 ½ 4 6 7 Lowelfobert HJ 6 Co PLC 6.75% (Net) Cre Cum Red Pri 10- 52 6.8/969 MAP PLC SSEPING Cum Gre Pri 5p - 98 ½ .55 ½ .8 100 ½ .56 1 2 3 MEPC PLC 8% Ures In Set 2000/05 - 596½ MECARRY & Store PLC 6.75% Cum Red Pri 2003 Ct - 80½ 7 8 McCartry & Store PLC 7% Cre Ures Let Store SW 98/94 - 271 (124)94 McCartry & Store PLC 7% Cre Ures Let Store SW 100 Ct - 100 Ct

BEDUT P 7

Michiller & Sons Ld 1012% Curt Pri Ci 120 2 (13)/99

Marchester Ship Canel Co 1st 31/96 Perp
Mitg Debuffees - SS (13)/949

Marchester Ship Canel Co 1st 31/96 Perp
Mitg Debuffees - SS (13)/949

Marchester Oriental International Ld Ord \$0.05

(Phong Norg Peop) - \$1\*10.547844

March S Spencer PLC ADR (6:1) - \$58,4

Marchester Spencer PLC ADR (6:1) - \$58,6

Marchester PLC ADR (6:1) - \$8,15 (11)/949

Medican PLC ADR (6:1) - \$8,15 (11)/949

Medican PLC ADR (6:1) - \$8,15 (11)/949

Methods (ADR) PLC SP Cure Pri Ci - 108

(11)/949

Methods (ADR) PLC SP Cure Pri Ci - 108

Li Still 86/04 - D34 (13)/949 Merchant Potal Group PLC 5-1, % Cre Ung Li Sid 99/04 - 104 (13),964) Morousy Indemations for Trust Ld Ptig Red Pd 1p (Reserve Fund - 949,3624 (11),969) Mercary Otheron Rung - 172.4 (13),969 Mercary Cooks & Herbour Go 61,96 Fed Deb Sit 94/97 - 936 Mercey Cooks & Herbour Co 6-1,96 Fed Deb 30, 96/39 - 936 (15),949 Mid Kent Wister PLC 51, Perp Deb Six -133/2 4-12 (12),964 N60-Sussex Water Co 1014 Fed Deb Six 2013/17 - 2105

Mid-Summer Water Co 10% Fled Deb Six 2013/17 - £105 Midland Bank PLC 14% Subord Une Ln Six 2002/07 - £123.075 ½ ¼ (113/949) Mindlands PLC 10% Chm Pd £1 - 109 (13/949) Mindlands PLC 10% Chm Pd £1 - 109 Mindlands PLC 10% Deb Six 2016 - £110% (5.949) NFC Flench PLC 10% Deb Six 2016 - £110% (5.9494) NFC PLC 7 ¼% Chw Bain 2007/19/eg - £1554 b

NMC Group PLC Warrants to 300 to Strg-140 (15.1/94)
NMC Group PLC 7.75p (Net) Curn Red Curr
PM 10p - 127 (15.1/94)
Netional Power PLC ADR (10.11 - 500%
Netional Westminster Barth PLC 12/2%
Subord Ura Ln Ste 2004 - C 120/2
Newarthill PLC 6775% Curn PM 51 - 73
(12.1/94)
Newcasse Building Society 12% 5 Parm
Interest Bearing Sine C 1000 - C 117/4 3
(15.1/94)
Next PLC 10% PR Curn PM 57 - 50 (12.1/94)
Next PLC 10% PR Curn PM 57 - 50 (12.1/94)

Interest Bearing She C1000 - C1174, 3, (13.1944)
Next PLC 10%\*B\* Cum Pri S0p - 50 (12.1945)
Next PLC 10%\*B\* Cum Pri S0p - 50 (12.1945)
North East Water PLC 5.25% Red Deb S0c 2012 - 508 (13.1946)
North Housing Association Lid Zero Cpm Ln S6. 2027 - 307126
North of England Building Society 127-1/46
Pem and Bearing C10007 - C119
P & O Property Hothings Lid 5% Une Ln Six 97/99 - 202 (12.1946)
Pacific Cea & Bearing Co She of Com Six 65 - 522-1/4 (13.1944)
Peritand Group PLC Crd 25p - 196
Peel Hotos PLC 5/7-6 1st Mig Deb S6. 2011 - C10 L59 (12.1946)
Peel Hotos PLC 5/2-6 (Net) Crv Cum Non-Vip Pri S7 - 106
Peel South East Lid 5/4/6 Une Ln Six 87/97 - 525 (5.1)5-9

Peel South East Ld 8\% Una Ln Six 87/97 - 255 (b.)/9-9.
Perthauter & Oriental Steam Nav Co 5\% Cum Pri Six - 250\%
Perthauter & Oriental Steam Nav Co 5\% Cum Pri Six - 250\%
Perthauter Proofs PLC 8ptNett Cum Cnv Red Pri 10p - 84
Petrotina S.A. Ond Stra NPV (Br In Denom 1,5
& 10j - 8799/0 as 10015
Plantsbrook Group PLC 8.75\% Cnv Pri 81/
2001 10p - 82 (13.)/9-9.
PowerGen PLC AUR (101) - \$78.16 (12.)/9-9.
Premier Health Group PLC Ord 1p - 1\%
(13.)/9-9.
Premier Health Group PLC 0.5\% Cum Pri £1 1111/2 3 (13.)/9-9.
Proving PLC 8.5\% Cum Red Pri £1 - 92 1111<sub>2</sub> 3 (133/94) Proving PLC 8.8% Cum Red Pri £1 - 92 Quide Group PLC 10% Cum Pri £1 - 115 (13.)990) REAHOOM PLC 9% Cum Pri C1 - 89

(12)/94 RPH Ld 4<sup>1</sup>2% Ums Ln Sik 2004/09 - £36

(6Jy94) PIPH Ld 9% Um Ln Stk 99/2004 - 098 (13Jy94) Receil Bestronics PLC ADR (21) - \$7.36 (13,96)
Rank Corporation PLC ADR (2:1) - \$1,36 3,
Rank Corporation PLC SN Com P1 2:1 - 51
(12,96)
Rankd PLC 6% 1at Deb SN 51/36 - 598
(11,96)
Republic Goldfields Inc SNs of NPV - 21,7
(8,96)
Republic Corporation ELC 4,105% First SN 51.56 Retail Corporation FLG 4125% (Firsty 5%) Cam 2nd Pri C1 - 55 (15Jy\$4)

Retail Corporation PLC 4.55% (Firsty 612%) Pugby Group PLC 6% Une La Six 83/98 -1389

100 Rusself Alexander) PLC 5.75% Corn Grw Red Pri - 901-2 (111)94) SCEroop Shs of Corn Shs of APV - \$124 (12.)794) Lasturi & Santuri Co PLC ADR (3:1) - \$6% (12.)/90 SeinsburyLij PLC ADR (1:1) - SS.85 (E.)/84] SeinsburyLij PLC 7.25p Neig Grin Curn Red Pri 20p - St (13.)/84] Seinsburic Hoga PLC 5.75% Criv Curn Red Pri 1: - 88 (13.)/84] Scholl PLC 57;% Criv Curn Red Pri 2006/11

Sasta PLC 714 to Line Ln Stk 92/97 - 69812 (13.1/94) Securior Group PLC 4,55% Cum Pty Pri E1

PLC Ord So. 9

Sheid Group PLC Ord Sp - 9
Sheid Group PLC S.84% (Net) Grv Cum Red
Pri Ct - 17
Short Srance (UK) PLC 7.875(Net) Cum
Ped Pri She 2009 - 73/2
Signat Group PLC ADR (2:1) - \$1.57 (1 Lly)-Q
Signat Group PLC ADR (2:1) - \$1.57 (1 Lly)-Q
Signat Building Society 127 is Perm Int
Seating Sits \$1000 - 2120 is 4
Smith New Court PLC 1246 Subord Line Lin
Six 2007 - \$104/2
Smith (W.H.) Group PLC 51/2% Red Lina Lin
Six - 332 (12)/40]
Smith Six Beacham PLC ADR (5:1) SS 1.0146
Smith Six Beacham PLC /Smith Group ADR STILLING SMILLING Section PLC/Smithkine ADR (6:1) - 528.02 Imariti, efferson Group PLC 6% Cum Pri br21 - 6:45 (1 1.4)-64

South Statfordshire Water PLC 94% Red Deb Site 86/2007 - 28/2 (8)/94/ Stag Furniture Hogs PLC 11% Cum Prf E1-102 (12)/94/ Standard Com-102 (12)/64 Sandard Centered PLC 12/1/19 Subset Uns Ln 8% 2022/07 - 5116/4 (13)/94 Sterling Industries PLC 1st PH/9/2/16 Cami\$1 - 57 (8)/94 Sucstitus Spesimen PLC 9/2% Red Cum Pri 67 - 60 ft July 1

& Sons Ld 6.3% Cum Pri ET . iwire(John) is borns as and 1754 to (83/84) 754 to (83/84) Symondis Engineering PLC Ord Sp - 30<sup>3</sup>2 Symonds ing-(12/y94) T & N PLC 11 kg/ Mag Dub Six 95/2000 -TSB Group PLC 10% % Subord Ln Stk 2008 - £1024 104 (15.494) TT Group PLC 10.875% Car Cum Red Pri She 21 1997 - 274 (13)/64) Tab & Lyfe PLC ADR (4:1) - £16.3263

(11.1/94)
Ternames Gas Pipeline Co 10% 85g/\$ Grw
Litu Lri Six 91/95 - 0120 (2.1/94)
Tesco PLC ADR (1:1) - \$2.85 .88
Thallend interretional Fund Ld Ptg She \$0.01
(EDR's to Br) - \$28250 28400 28800
(11.1/94) HOPN Bull PLC ADR (1:1) - \$16.6 hwates@arks PLC 5% 1st Curn I Toronto Gray & Bruce Paskery Co. 4% 1st altg Bds (2883) (Con 221) - £46 (12,1/94) Tratalgar House PLC 9<sup>3</sup>2% Uns Ln Stic 2000/ 05 - 522 (21/94)

se PLC 1014% the Ln Stk 23.8 (13Jy94) ntic Holdings PLC A City Pri 50p -

nte Holdings PLC B 6% Grw Prf £1 Uns Ln Sik 85/2000 - £99-k (11Jy94)

Unigate PLC ADR (1:1) - \$6 (12.1/94) Unigate PLC 5% Una La Sik \$1/96 - £\$2.1/9 Urogate PLC 6<sup>1</sup>2% Uns Ln Stit 81/96 - 595 (123/94)

Uniferent PLC ADR (4:1) - \$105,545 105,71 Union International Co PLC 8% Curn Pri Stu £1 - 47 Union International Co PLC 7% Cum Pri Stk £1 - 47 ET - 47
Unisys Corp Com Sk; \$0.01 - \$91<sub>6</sub> (12.9/84)
United Paraetitions Africa Ld Ord R0.50 10.18 (5.9/94)
Unity Cable PLC Warrants to sub for Ord 16 (11.80)

16 (T1Jy24) Value & Income Trust PLC Warrants 89/94 to Van Diemer's Land Co 'A' 25p - 70 one Group PLC ADR(10:1) - \$85 4 4

Wapon Incustrial Hidge PLC 7.25p (Net) Crw Pig Pri 10p - 144 (11.1y34) Walker(Thomas) PLC Ord 5p - 271₂∳ Walcome PLC ADR (1:1) - \$93₅¢ Severn Piver Crossau Ceb Six 2012 (6.344%) - C114 Shanghei Fund (Cayman) Ld Pag She \$0.01 Walls Fargo & Company She of Com Sik 45 -\$150-0 (113/69) Warning PLC SpikinGCav Cum Red Pri 1989 at PLC 4296 fat Clam Prt Stk E1 of PLC 6% 3rd Cure Pri 96; 21 - 65 act PLC 74% Ums Ln Stk 95/96 - 294

Whitbread PLC 714% Uns Ln 8th 86/86 - 054
Writbread PLC 1012% Uns Ln Str 2000/05 c10512 (81/94)
Writscroft PLC 5.1% Cam Pri £1 - 55
Willis Cerroon Group PLC ADR (5:1) - 21012
Willis on Connot (yill-days PLC 1012 yill-cam 2nd Pri £1 - 125 (12)/94)
Willis Cerroon Gentler Cerroon PLC 8.5% (hiel) Criv
Carn Red Pri £1 - 141 (12)/94)
York Wilstowerks PLC Ord 10p - 287
Yorkshire-Tyre Tees TV Hidge PLC Was to sub for Ord - 156 82 Yule Catto & Co PLC 1112% Cum Red Pd 1898/2003 E1 - 105 (123/94)

Investment Trusts Abtrust New Down Inv Trust PLC C She 50p Pri Sts. - C49 (13Jy94) Pri Sts. - C49 (13Jy94) Initia Gifford Japan Trust PLC Was to Sub-Ord Strs. - 187 ond one - 187
Ballis Cifford Shin Noppon PLC Warrants to sub for Ord - 126 7 8
Baring Tribuna kneestmort Trust PLCS<sup>1</sup><sub>8</sub>%
Dab Sit. 2012 - 296 (8.1/94)
British Assets Trust PLC Equilles Index ULS 2005 10p - 1801<sub>2</sub>
Striph Paratas Sia 4 2005 10p - 150½ Brotish Grophe See & General Trust 10½% Deb Stk 2011 - £110½ 1 (12,1y94) Brotish Investment Trust PLC 11,125% Secured Deb Stk 2012 - £120 Spetal Gesting Youst PLC Ord 25p - 450 Riddly European Values PLC Equity Linked Une Ln Sts 2001 - 138 ler Co's Trust PLC Zero Div Pri

on & Col Invest Trust PLC 74% Deb one Bettish Inc & Geth Tet PLGZero Divi-Smaller Co's Trust PLCOns Twestons Capital Trust PLC 74 % Deb Six 92/87 - 997 2 I warm Select Investment Treat Ld Ptg Red

London & St Lewrence investment PLCOrd

op - 1419; 24 (13/954) ondon & Strathchyde Trust PLC 5% Cara Pri Sak - 640 (13/964) forpanGrendell,asinAmerCo's Tst PLCANs to MorpanGrenten, and 13Jy9/ nuts for Ord - 43 (13.1/94)
Parities Franch Investment Trust PLCSers "A"
Warrants to mus for Ord - 31
Plyinizs Franch Investment Trust PLCSers
"B" Warrants to sets for Ord - 22/2 3
Setroder force Fund PLC Ord \$0.01 (fit)

\$14/2 (12Jy94)
Scottlish Eastern Inv Trust PLC 12<sup>1</sup>/<sub>3</sub>% Deb Six 2012 - 1127 (BJy94)
Scottlish Mortgage & Trust PLC 8-12%
Sixpped Int Deb Six 2025 - 1128/2 8<sup>1</sup>/<sub>4</sub>
Securities Trust of Scottlind PLC 4<sup>1</sup>/<sub>2</sub>% Cum
PH Six - 246 (13Jy94)
Spiters Immediate: Trust PLC 4<sup>1</sup>/<sub>2</sub>% Cum

PHY SIX - 1/40 (15/4/94) Sphere investment Trust PLC Revised Wor-sants to sub for Ord - 61<sub>2</sub> (12/9/94) TR City of London Trust PLC 111<sub>2</sub>% Deb Six 2014 - E121 en investment Co PLC Ord 25p - 565 of Co PLC 612% Deb Stk

USM Appendix BLP Group PLC Ord 50p - 137 Crossroads Oil Group PLC ADR (1:20) - \$5\(\frac{1}{6}\) Dekota Group PLC Ord #20.25 - HDD.18. PBD Holdings PLC Ord #20.50 - HD.8 H21.7

(11Jy94) bbbs Mew PLC Ord 25p - 410 Gabos Mew PLC Ord 25p - 410 Great Southern, Group PLC 8,75p Cura Crav Red Pri 5p - 333 (13Jy94) Midland 8. Southin Resources PLC Ord 10p -

Rule 535(2)

Admente & Co PLC "B" Ord \$1 - \$27 All England Lawer Tennis Ground Ltd Deb 91/ 86 \$2000 - \$7000 (13Jy94) Acti Street Brewery Co Ltd Ord \$1 - \$3.24 eat Brewery Co Ld Criv Red 2nd Pri 21 - 28,55 (11.3y94) manual Football Club PLC Ord 21 - 2450 Ascot Hidge PLC Var Rate Criv Cum Red Prf 10p - 00.06

Associated British Industries PLC Ord £1 -£2.35 (12.1/94) Bardays Investment Fund(CL) Global Resources Fund - £0.5988 (11.1/94) Bittori Inclustrial Group PLC Ord 1p < 60.11 Brancola Holdings PLC Ord 5p < 50.44 0.45 Brooksmik Group PLC Ord 10p - 62 (11.3y84) Caventain PLC Ord 1g - 50.11 ds Come (TV) Ld Ord Sp - 20,48 nco/Charishere Charinco Distr - £1.85 (11Jy94) Baseon Hidge PLC Ord 10p - DLS 4,87

De Gruchy (Abrohem) Co Life Unit Angel Seasons Footbell Club Co Ld Old Sik E1 Exthem PLC Ord 500 - £2.3 (12.894) Formacen International Group PLC Ord 1p -Gender Holdings PLC Ord 1p - 20.065 ley)Hidgs PLC Ord 25p -

Generator Hotels PLC Ord 10p - 20.28 (12)/949 Generator Gen Light Co Ld Ord 10p - 20.66 0.72 0% 0.76 (8)/949 Guerrator Press Co Ld Ord 10p - 21.6 2 (8)/949 Guiton Group Ld Ord 10p - 21.5 (11)/94) up Ld Ord 10p - £1.3 (1 1Jy04)

( E S Group PLC Ord 10p - 255 Jerney Electricity Co 5% Curr Prig Pri 21 . EDI<sub>2</sub> (RJy94) Just Group PLC Ord 1p - £0.03375 (12.1/84) Notine Bensonfini Func Inter State S (12/y64)
Lawrence PLC Ord 10p - £1/b (12/y64)

Lamite Group PLC Ord E1 - 523 4 24 Lo Riche's Stores Ld Ord 51 - 52.85 (11Jysq. Leisuretime tress PLC Ord 50p • 60.1 Martin & Mercardin LC0.20 - \$2.18 2.195‡ Material Transport Cord 1p - 100,000 PLC Ord 1p - 100,000 (124,004)

Material Ld Ord 10p - 20,145 (124,94)

Material Parking Corp Ld Ord 10p - 25½ BL

Material Parking Corp Ld Ord 10p - 25½ BL

oury Rapacourse PLC Ord \$100 - \$2700 (13J)44) lorth West Exploration PLC Ord 1p - 21<sub>2</sub> B1999
Pan Andean Resources PLC Ord 1p - 10.05
(113/94)
Perpetual/Jersey) Offshore Emerging Co's erpetual(Jersey) Offshore Japan Growth - £1.088007 (12JyS4) erpetual(Jersey) Offshore UK Growth -

\$2.0123 (13.M Rangers Football Chib PLC Ord 10p - 10.65 0.95 Rangers Football Chib PLC B Deb Six \$1300 - 2800 1150 (6)/949
Rangers Football Chib PLC B Deb Six \$1300 - 1500 1150 (6)/949
Rangers Football Chib PLC C Deb Six \$1900 - \$1350 (13)/949
Selton Hotel Ld Ord £1 - \$3.9 (13)/949
Selton Hotel Ld Ord £1 - \$3.9 (13)/949
Selton Hotel Ld Ord £1 - \$3.9 (13)/949
Sevent Valley Railway#Hotgs#PLC Ord £1 - \$2.6 (8)/949
Sevent Valley Railway#Hotgs#PLC Ord £1 - \$2.6 (8)/949
Southern Neverpapars PLC Ord £1 - \$6.18
Sutton Herbour Hotgs Ld Ord £3p - £3.72
(113)/949

antells Co PLC Ord 25n . 62.65 (12:3994) Traghur PLC Ord 5p - 20:06 (8:394) Tracker Network PLC Ord 51 - 2131<sub>2</sub> 14 141<sub>4</sub> 141<sub>4</sub> 141<sub>2</sub> 15 UAPT-Infolink PLC Ord 25p - 23.35 Unimed PLC Ord 920-25 - 21.56¢ Unimed MLC Ord 90325 - \$1.589 Veterinary Drug Co PLC Ord £1 - £3.7 3.77 Warburg Asset Management Jersey Mercury Indi Gold & General Fd - \$1.60189 Wodderburn Securities PLC Ord 5p - £3.1

01 016 ok Ld "A" Non.V Ord 25p - £186 RULE 535 (4) (a) Bargains marked in securities where principal market is outside Quetation has not been granted in London and dealings are not

corded in the Official List. Leigneon Hidge A\$1,9\$(12.7) Maleyalen Plant 49,0(13.7) OR Search 41,0(8.7) Portmen Mining A\$0,737(13.7)

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FINANCIAL TIMES

# THE NUCLEAR INDUSTRY - INTO THE 21st CENTURY?

London, 14 & 15 September 1994

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### LONDON STOCK EXCHANGE

<sup>278</sup>.1生<sub>年</sub>

**NDUSTRY** 

# Strong gains as the last equity account closes

**UK Stock Market Editor** 

The last equity trading account in London equities closed with tha market in good form yesterday as share prices rose sharply for the third successive trading session. Trading volume showed a further increase, boosted by a large trading programme from a US investment

The FT-SE Index closed 24.4 up at 3,074.8, having achieved most of its gain within the first hour of the market's opening. Traders were pleased to see the index convincingly extend its gain above the 3,050 hurdle. Profit-taking ahead of the close of the account, a London phenomena now consigned to the history books, proved no check to a market which has risen by 110.9

points on the Footsie over the past three trading sessions. The tone of the market appeared very confident at the close of business and was supported by favourable comments in weekly reports to clients by sev-

eral leading securities houses. The Footsie has risen by about 4.7 per cent over the two-week account, with the greater part of the rise taking place this week as concern over the dollar has subsided, bringing a rally in bond markets and returning investor attention to the economic recovery and low inflation in the UK. The FT-SE Mid 250 Index gained 21.6 to 3,551.3 yesterday, bringing the advance over the account to nearly 4 per cent.

The financial aectors, with balance sheets filled with assets in the form of market securities, stood out strongly in the market advance.

Accos	est Dealing	Dates
Piret Deelinge: Jul 4	Jul 18"	n/s
ption Declaration Jul 14	1d: 28	n/q
ast Declinger Jul 15	1/8	
Jul 25	e la	n/s
How time dealing	o may take plac	s from two days

active than the rest of the market, with oil shares failing to keep pace as some profits were taken after the strong run earlier this week.

Traders identified further share buying from overseas investment institutions. The lead was reportedly taken by Goldman Sachs, the US investment bank, with a programmed buying operation across both Footsia and non-Footsle stocks. Consumer stocks were again enlivened by the implications of the Tesco offer for William Low, which is now widely regarded as the opening shot in a potentially far ranging

battle.
Building and contracting stocks, which have been held back by the fears over prospects for a rise in base rates, continued to recover ground yesterday. Companies with German involvement were particularly firm on the back of persistent

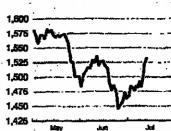
support from European institutions. Equity volume, as reported through the Seaq electronic network, jumped to 856.4m shares, the highest total for several months and a 17 per cent increase on the previ-

A recovery in trading volumes, which had slipped away during the period of concern over bond markets, was borne out by Thursday's total of £1.51bn in retail, or genuine investor business. This was the sixth successive day of £1bn phis business, contrasting sharply with totals below this benchmark num-

ber at the beginning of last week. The gilt-edged market traded firmly for most of the day but turned less certain following the announcement that the next auction of government bonds, scheduled for Wednesday July 27, will be of conventional stock in the 2007-2011 maturity range. Some bond trading houses were believed issue and had to reshuffle their market positions following the auction announcement. However, traders agreed that, "It was Friday afternoon, and not the best time to

measure the market's response."





Key Indicators		
dices and ratios		
-SE Mid 250	3551.3	+21.6
-SE-A 350	1545.8	+11.6
-SE-A All-Share	1532.50	+11.25
-SE-A All-Share yield	3.87	(3.88)
Ordinary Index	2400.6	+7.2
-SE-A Non Fins p/e	19.33	(19.26)
-SE 100 Fut Sep	3091.0	+21.0
yr Glit yleid	8.29	(8.21)
ing gilt/equity yid ratio:	2.18	(2.16)

Equity Shares Traded

Turnover by volume (million). Excluding

_ 20	
	May Jun Jud 1994
	FT-SE 100 Index
+21.6	Closing index for Jul 15 3074.8
+11.6	Change over week+112.4
+11.25	Jul 143050.4
(3.88)	Jul 133005.3

# TRADING VOLUME



Tamec
Tate & Lyle
Taylor Woodrow
Taeco†
Themee Water†
Thom Es#†
Tomdes†

EQUITY FUTURES AND OPTIONS TRADING

A squeeze in stock index futures and tha expiry of the turned out to be the main features in the derivatives, writes Joel Kibazo.

At the close, the reading on tha September contract on the FT-SE was 3,091, up 21

premium to cash of 5 points Volume was 17,865. In traded options, the mid-morning explry of the July index options passed off without much difficulty. Total volume was 48,139 contracts ith 22,524 lots dealt in the

FT-SE 100 option. on its previous close and 13 M FT-SE 100 INDEX FUTURES (UFFE) \$25 per full index point Open Sett price Change High Low Est. vol Open int. 3086.0 3091.0 +21.0 3100.0 3082.0 3101.0 +21.0 M FT-SE MID 250 INDEX PUTURES (LIFFE) 210 per full index point 3550.0

MI FT-SE MED 250 INDEX FUTURES (OMLX) 210 per full index point

II EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

# FT-SE-A INDICES - LEADERS & LAGGARDS

Percentage changes since D	December 31 1993 based on i	riday July 15 1994
Engineering, Volides +10.50	Services	Retailers, General
On Apploration & Prod +10.89	FT-SE Mid 250 6.33	Property11,40
Printing, Paper & Polig +9.22	Non-Floanciste7.02	Contismer Goods11.97
Explorering	Support Services	Biochicity1284
Oil Integrated 13.51	Textiles & Apparel7.99	Life Assurance12.94
Mineral Eduction +3.47	Distributors -7.96	Pharmacouscus13.10
Charactet +3.40	Molding Materials 48.11	FT Gold Mines Index14.16
Jaisure & Holets +2.76	FT-SE-A MI-Sherp8.90	Household Goods14.58
Extractive Inds+2.25	Bectronic & Bec Egynt0.11	intribut -15.21
Gen Manufacturara	FT-SE-A 350	Telecommunications15.36
Directified industrials1,39	Treesport	Gen Distribution
Media1.68	Investment Trucks 9.61	
		Resociate17.48
FT-SE StreetCap2.74	Spirits, Wipes & Cidens9.88	Water18,53
Britageles8.12	Health Card	Merchard Banks18.87
FT-SE SMARCED	FT-SE 10010.06	Beeld
Retailers, Food4.78	Food Manufacturers10.28	insurance
test and burk from the later		

Low

17	dices														The L	K Se	ries
'n	Jul 14	Jul 13	Jul 12	Your	Ob. yid%	Earn. yid%	P/E ratio	Xd odj ydd	Yotal Return	Hgi		194		He	Since Cu	upitelion Los	
8	3050.4	3005.3	2563.9	2833.0	406	6.85	17.26	6696	1150.29	3520.3	2/2	2676.8	24%	3693	272/94	996.5	23/7/84
6	3529.7	3463.7	3465.9	3217.5	3.47	5.82	20.66	72.81	1312.73	4152.8	3/2	3363.4	27/6	4162.8	3/2/94	1379.4	21/1/68
8	3534.1	3498.4	3471.1	3231.7	3.63	6.30	19.23	75.32	1310.34	4100.7	1971	3302.4	27/B	4160.7	19/1/94	1378.1	21/1/96
8	1534.2	1513.1	1494.3	1478.9	3.92	6,62	17.94	33.21	1183,77	1774.3	2/2	1451.3	24/6	1778.3	2/2/94	684.5	14/1/86
5	1788.01	1780.89	1777.31	1633.45	3.14	4.33	30.28	29.85	1383.76	2004.55	4/2	1776.51	2/7	2094,56	4/2/94	1363.78	31/12/92
4	1759.94	1754.33	1752.58	1633.53	3.31	4.78	27.98	30.66	1364.30	2000.72	4/2	17:52-56	1277	2960,72	4294	1363.79	31/12/92
7	1521.25	1501.43	1453.68	1405.72	3.57	8.45	18.48	32.42	1193.90	1764.11	2/2	1445.85	24/6	1764.11	2/2/94	61.92	13/12/74

t**S**gh

FT-SE-A ALL-SHARE						1405.72		
FT-SE Actuaries	AK-Shar	*	4 14 .b	J 19 L	ı 12	Year D		

FT - SE Actuaries Share In

FT-SE 100 FT-SE 864 250 FT-SE 864 250 or low

18	MINERAL EXTRACTION(18)	2652.57	+0.1	2650.71	2814,65	2572.95	2155.40	3.42	4,42	28.45	47.41	1054,10	2738.44	13/5	2439.96	31/3	2738.44	13/5/94	980.20	19/2/88	1
12		3799.64	+1.0	3761.65	3672.81	3866.88	3089.20	3.35	5.30	23.63	54.24	1038.90	4107.55	2/2	3656.80	12/7	4107.55	2/2/94	1006.08	31/12/85	4
15		2803.29			2573.98			3.54	4.54	27.39	50.54	1056.43	2681.20	10/5	2345.96	39/3	2661.20	10/5/94	987.35	20/2/86	1
18		1946.68	-0.9				1778.90	248		100.00		1116.16		27/4		31/3	3944,10	8/8/90	650,30		1
20	CEN MANUFACTURERS(264)	1997,46	+0.2	1993.22	1969.30	1990.13	1770.20	3.80	4.65	26.42	40.95	1007.83	2232.68	2/2	1866.05	24/6	2232.68	2/2/94	986,10	14/1/86	1
21		1172.20				1154.02		3.29	4.64	27.68	20.54	910.58	1589.10	8/2	1136.82	29/6	2125.60	- 16/7/67	538.30	9/9/92	Л
22		2006.72		1980.5		1951.08		3.66		31.66		938.29		24/1		21/8	2393.22		954.80		п
23		2406.93	+0.9		2371.70			3.85		32.00		1068.98	2552 23	27/4		28/6	2552 23	27/4/94	979.50		п
24		1997.68	-0.7			1965.55			4.68	26.31				2/2		24/6	2231.57	2/2/94	984.80		4
20	Beckmie & Bect Eurocks	1914.17	-0.4		1885.41				6.57		16.43	917.11	2263.38	4/2		6/7	2263.38	4/2/94	998.80		1
60		1878.77	+0.1				1589.40		4.56	25.49		1068.38		2/2			2011.17	2/2/94	982.30		ц
26		2350.99	-0.8		2348.54				2.20	61.97		1125.11	2516,71	2/2	2096.34	28/6	2518.71	2/2/94	986.00		1
27	Engineering, Vahicles(12)	2844.84	+0.6		2786.05			2.94				1111.03		18/3	2621.19	4/1	3045.81	18/3/94	973.30		1
28		1672.88				1837.30		3.97	6.06		38.25	940.97	2026.05	4/2		8/7	2325.00	2/10/87	960,60		ŀ
_2	Textiles & Apparai(20)		+1,1																		ł
30	CONSUMER EDODG(87)	2847.96	+0.7		2589.47				7.83		68.58	902.39		24/1	2484.94	24/6		22/12/92	967.50		ì
31	Browerica(17)	2222 B4	+1.1		2141.42				7.78		46.58	969.33	2464,52	19/1	2071.07	24/6	2464,52		962.00		ł
32	Spirits, Wines & Cidera(10)	2773.42			2723.13			3.99			88.45	929.23	3225.93	24/1	2636.45	246	3467.00	11/5/92	\$67.50		1
33	Food Manufacturers(23)	2205.82	+0,9		2169.85			4.34	8.03		61,34	921,41	2500.54	19/1	2093.26	24/6	2500.64	19/1/94	946.18		1
34	Household Goods(13)	2448.07	-0.2		2438.30				7.53	15.83			2004.14	18/2	2342.74	2776	289L14	12/2/94	927.18		Į
36	Health Care(21)	1590.97	-0,1		1588.78			3.08	3.18		32.14		1908.13	19/1	1572:17	6/7	2047,40	28/9/87	27725		1
37	Pharmaceuticals(12)	2626.18	+0.5		2787.30			4.41	7.73		59.01	865.30	2247.23	19/1	2541,70	1/6	4100.80		503.70		1
38	Tobacco(1)	3653.45	+1.5	3598.92	3565.36	3439.53	3796,40	6.77	9.32	12.24	127,93	813.55	4718.86	7/1	3120,74	246	4738.63	29/12/93	982.09	9/1/86	ı
40	SCHWICES(220)	1954,57	+0.7		1614.68		1764.90		6.17		35,28		2207.77	19/1	1854.18	27/6	2207.77	19/1/94	944.90		ı
41	Distributors(31)	2724.74	+0.3		2700.00			3.29	6.44	18.27			3319.33	2/2		8/7	331873	2/2/94	966.50		1
42		2135.44	+0.5	2125.00	2058.24	2051.09	1830.80	3.44	4.63	25.22	27,A3		2366.62	17/2		87	<b>2386.</b> 82,	17/2/94	575.40		ł
43	Media(38)	2891.18	+1.0		2503.84					22.71			3349.11	17/2	2575.11	27/6	3349.11	17/2/94	<b>976.2</b> 0		ŀ
44	Retailers, Food(17)	1642.17	-		1599.40			3.90	9.79		40,84	977.11	1914.20	19/1	1511.94	25/4	2238.20	20/1/93	917.40		I
45	and the second second	1699.49	+1,4		1664.52			3.07		19.35			1910.67	4/1	1618,15	27/6		29/12/83	<b>879.10</b>		١
48	Support Services(40)	1549.02			1532.33			2.86	6.09		24,61		1806.43		1478,20	28/6	1866.43	2/2/34	939.00		ł
49	Transport(15)	2361.37	_		2340.64			3.55	4.97		39,63	919.48	2805.98	8/2	2154.59	24/6	2005.98	2/2/94	960.60		1
51		1153.69	-0.1	1154.57	1141.75	1138.82	1199.30	4.25	3.35	47.33	16.16	963.64	1380.58	. 10/2	1130,62	21/4	2453,30	16/7/87	963,10	14/1/66	ł
60	UTILITIES(36)	2273.10	+0.5					4.63	5.26		40.18	863.05	2782.33		2100.92	246	2762.33	2/2/94	802,58		l
82		2175.51	-0.7		2165.57				11.31		40.84	887.56	<b>2619.12</b>	2/2	2024,12	246	2619.12	2/2/94	985.38		1
84	Gas Distribution(2)	1888.08	+23	1845.51	1921,39	1791.98	1936.70	6.35			66,79	802.57	230£.77	7/1	1084,20	246	237E30		994,90		1
86	Telecommunications(4)	2035.13	+0.6	2022,89		1957.34			7.74		10.63	851.03	2450.42	2/2	1864.66	1/6	2451.20		862.59		ı
	Water(13)	1696.82	+1.2	1676.51	1638.98	1627,25	1681.60	5.73	13.80	7.94	65.77	846.81	2126.79	3/2	1500.71	27/6	2125.79	3/2/94	924,70	1/5/90	ı
	NON-FORANCIALS(695)	1657.74	+0.5	1650.02	1628.05	1606.82	1507.85	3.86	8.24	19.33	35,70	1159.97	1870.36	2/2	1562,69	246	1870.36	2/2/94	63,49	13/12/74	ì
		2156.93	+2.1	2111 94	2086.19	2061.73	2092.40	4.30	8.57	13,43	58,41	846.26	2737.13	4/2	2034,74	246	2737,13	4/2/94	972.20	23/1/88	1
	FRANCIALS(184)	2778.73			2686.60			4.12	8.84	12.86	73.83	822.06	3601.55	4/2	2816,77	8/7	3001.53	4/2/94	950,00	23/1/86	1
	Banks(10)				1177.18			5.36			36.63	815.79	1553.51	24/1	1153.62	246	1624.20	29/12/88	870.90	25/8/92	ı
	Insurance(1?)	1205.44	+2.1		2284.82						82.97	899.63	2521.37	1971	2180.61	1/6	2921.37	19/1/94	967.70	23/1/86	١
74	Life Assurance(6)		-0.1		2759.62			3.62			89.60	637.06	3761.28	2/2	2638,36	1/7	3761.29	2/2/94	982.90	27/1/86	I
	Merchant Banks(6)	2768.85				1773.63		3.79	8.81	13.82			2279.36	4/2	1752.63	47	2279.35	4/2/94	858.39	1/10/90	ı
	Other Financial(24)	1827.75				1554.11		3.79	3.B4	32.54		906.86	1885.66		1453,40	27/6	2132.40	5/9/89	718.40	16/9/92	ı
_ 79	Property(41)	1590.45				1334,11			_												l
80	INVESTMENT TRUSTS(123)	2738.31	+1.0	2711.50	2684.45	2661.42	2368,90	220	1.90	53,30		915,77	318131					2/2/94	977.20		I
			_		4 4004 410	4455 55	1405.72	3.87	8 46	18 48	20.40	1193.90	1784.11	2/2	145.第	24/6	1764.11	2/2/94	61.92	13/12/74	ı

89 FT-SE-A MLL-SHANDEPAZ	1532.50	+0.7 1521.25	1501.A3 1483	.88 1405.72	3.87 8.4	15 18.48 32	A2 1198.9U	1704.11 2	12 1442.00	240 1104.1	1 2004	6132 13121
Hourly movem	ents Open	9.00	10.00	11.00	1	12,00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100 FT-SE MMA 260 FT-SE-A 350 Time of FT-SE 100 Might 3.64pm	3071.4 3543.7 1543.7 Love 8.59em	3057.8 3542.2 1538.0	3072.1 3545.8 1544.2	3068.5 3541.6 1542.4		9072.3 9545.8 1544.3	3066.6 3545.8 1542.0	3082.3 3644.1 1540.3	3645.2 1542.0	3075.1 3550.7 1546.9	3078.4 3651.4 1547.1	3057.0 3541.5 1538.0
FT-SE Actuarie	es 350 inc	iustry ba	skets 10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg & Chstron Pharmacouticts Water Bonks	1110.4 2809.0 1882.8 2775.8	1119.5 2801.7 1683.9 2760.8	1123.7 2614.0 1697.3 2780.1	1124.6 2810.4 1694.4 2787.9	1125.1 2815.1 1697.0 2798.0 Base	1125.8 2807.5 1696.9 2793.9	2798.5 1691.6	2807.7 1694,2 2801.4 Base		1128.8 2804.8 1694.7 2813.5	1104.9 2791.8 1674.1 2730.3	+24.5 +13.0 +20.6 +83.3 Base Base
Equity section or group	date value		sion or grou		value	_	tion or grou	29/12/89 1		Ry section of GRs indices		date valu 12/75 100.

FI-SE Total Reum Indices 31/12/92 1000.00 FI-SE Mid 250 or in Trusts 31/12/95 1412.80 Water FI-SE SmallCap or in Trust 31/12/92 1363.79 FI-SE 100 31/12/93 1000.00 FI-SE-A Al-Share FI-SE Mid 250 31/12/93 1412.60 Electricity 31/12/90 1000.00 All Other 10/4/82 100.00 Index-Linked 10/4/82 100.00 Debs and Loans 31/12/85 1000.00 The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries SS0 indices are compiled by the London Stock Exchange and the FT-SE Actuaries All-Store folions and the FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries SS0 indices are compiled by the London Stock Exchange and the FT-SE Actuaries and the FT-SE Mid 250 and the FT-SE Actuaries SS0 indices are compiled by the London Stock Exchange and the FT-SE Mid 250 and the FT-SE Actuaries should be instituted. Both in conjunction with the Institute of Actuaries and the FT-SE actuaries and service marks and service mark

### **Thorn** points above its fair value

Volume was 1.8m at the close. The shares had risen sharply in recent sessions fired by speculation that the group planned to split its rental and music businesses. However, the chairman told the company's annual meeting yesterday that the current group structure, "was a positive advantage and adds significant value".

Mr Bruce Jones at Smith New Court said the news was "a slap in the face for the punters" but there was value for fundamental buyers of the stock at these levels.

The group also announced an increased staka in Thorn's joint music venture in Japan with Toshiba.

### Low counter seen

chain William Low sent the shares powering ahead 17 to 253p, well above the 225p a Tesco tha previous day.

Most of the support reflected the surprise announcement by J. Sainsbury that it was considering its options. But the market was also scratching around for other possible candidates. There was a feeling that some overseas groups might grab at the chance to grab Low's 6.6 per cent of Scottish market attracted some consideration were Rewe, one of Germany's largest food retailers and Dairy Farm International, the food retailing arm of Hong Kong's Jardine Matheson. The pressure on the bidder and poten-

The hanking sector was in

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**FT Surveys** 

### advance with fund managers across Europe said to have moved ouickly to fill in underweight positions. "There was e feeling that many institutions have missed

the bottom of the market and have started to panic," said one marketmaker who pointed out that the banks have been left behind by the market for many months.

News that the Cheltenham & Gloucester building society intends to announce revised terms for its merger with Lloyds Bank by the middle of next month was seen as the trigger for the upsurge in the sector. Lloyds shares raced closed 21 higher at 557p after turnover of 5.7m.

NatWest, viewed by some as the cheapest stock in the sector because of its expansion in the US, leapt 16 to 470p on 8.9m traded, while Barclays rose 15 to 554p. HSBC raced up 31 to 727p with dealers pointing to the strong rally in the dollar. linked to the HK dollar, and stories that HSBC is about to embark on a big expansion pol-

icy outside of Europe. S.G. Warburg slipped 4 to 693p amid suggestions that the shares had been downgraded by one of the market's leading brokers.

Personal credit group Provideut Financial jumped 16 to 499p after Hoare Covett published a buy note on the company, focusing on the attractions of collected credit and the group's cost cutting.

Great Universal Stores recouped losses sustained following the disappointment over the non-appearance of a share buy back as the stock responded to some cautiously positive comment on the company's fundamentals. The shares lifted 8 to 574p. United Biscuits fell 5 to 309p

as BZW cut its 1995 forecast by £10m to £190m implying flat profits because of dull trading conditions in the US and Europe and advised clients to sell the shares. Advertising and marketing services group WPP jumped 5

to 107p as S.G. Warburg published an in-depth recommendation. The house argued that the shares deserved to trade at a 25 per cent premium to the market which translated to a medium term target of 127p at

and a aluggish opening on Wall Street restrained the oil majors where BP, much more highly geared than Shell to a rising oil price, settled a penny off at 400p after turnover of 7.5m sharee. Shell, helped by the

31/2 to 709p. Enterprise Oil, a strong performer since its failed bid for Lasmo and boosted hy the recent strength in crude oil prices, suffered from a bout of profits-taking to close 4 off at

427p but remained sharply higher over the week. British Gas was the pick of the energy sector, the shares advancing 61/4 to 284p as dealers responded to a growing view that legislation to introduce competition in the domestic gas market will be delayed for at least a year.

Retailer Marks & Spencer improved 9 to 415%p on the anticipated boost to profits prompted by its decision to open on Sundays. Suppliers also benefited - Claremont Garments rose 16 pence to 315p. Dewhirst 4 to 130p and Courtaulds Textiles 15 to 505p. Hartstone, the leather goods

and hosiery manufacturer, fell 10 to 22p as it announced a £70.7m loss after exceptionals against £9.86m previously and a deeply discounted two-forone rights issue at 15p a share to raise £30.3m. The cash call had been well flagged but the size of it was a surprise. Negative press comment for

Rank Organisation, after better than expected interim figures on Thursday, left the shares trailing 3 to 402p. Whitbread rose 14 to 538p ahead of next week's annual

meeting. Some analysts said the group was trading ahead of budget and brewing margins were stabilising. Turnover in Marston Thompson & Evershed, the thinlytraded brewer, hit 3.6m as one marketmaker took on a line of

1:5m shares at 263%p and placed them at 264%p. The share price rose 3 to 2660. Industrial conglomerate BTR gave up 51/2 to 377p, in heavy

reported to be cautious. Components manufacturer Automotive Precision Holdings, which hosted a group of analysts last week, closed 5 ahead at 111p. Wagon Indus-

123

265

727

# **M** CHIEF PRICE CHANGES YESTERDAY

**Auto Security** 

**Boddington** 

British Borneo

Evans Halshaw

HSBC (75p shs)

Berkeley Group

### hopes dashed

Leisure and electronics group Thorn KMI reversed an earlier rise to close 9 lower at 1065p. after the company dashed marof a number of its businesses.

The possibility of a counter bid for Scottish supermarket share agreed offer made by

tial bidder saw Tesco restrained to a rise of only a half to 233p and Sainsbury fall

### Banks advance

the vanguard of the market'a

# current levels. A slight setback in oil prices Physics are teachedy elemented for the purposes of the element annual property and the element annual property Part 10.10 (10.1 V2 hour parted with the parted

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Keeping an eye out for the markets

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# Equities flat on mixed economic data

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**Wall Street** 

US share prices ended the week mostly flat, in spite of fresh gains in the bond market, where long-term interest rates came close to inching below 7.5 per cent, writes Potrick Harverson in New York.

By 1 pm, the Dow Jones Industrial Average was up 0.97 at 3,740.22, having spent the entire morning session no more than a few points either side of opening values. The more broadly based Standard & Poor's 500, which moved in similar fashion, was down 0.15 at 453.26, while the American Stock Exchange composite was up 0.92 at 430.96, and the Nasdaq composite 1.27 lower at

720.29. Trading volume on the NYSE was 153m shares by

The market opened in a sub-dued mood, although the fact that computer problems delayed the start of trading on the Nasdaq market for almost two-and-a-half hours had as much to do with the downbeat start to trading as anything. Sentiment, bowever, was affected by early declines in the bond market and a modest drop in the value of the dollar against the yen and the

The day's economic news was mixed, with a 0.5 per cent gain in June industrial production warmly received; but a jump in the June capacity utilisation rate from 83.5 per cent

to 83.9 per cent - the highest level since June 1989 - deepened concern about inflation. A mid-morning rally in

bonds, which temporarily pushed the yield on the 30-year issue down below 7.5 per cent. failed to stimulate much interest in stocks, which languished close to overnight levels. Among individual stocks, IBM fell \$1% to \$57 as investors

began to worry about the company's second quarter earnings, which are expected next Thursday. Analysts are looking for a profit of about \$440m, or 72 cents a share. Other big technology stocks

were also weaker, with Hewlett-Packard down \$% at \$75%, Compaq off \$% at \$35%, and Unisys.\$% lower at \$8%.

Hardeat hit was Texas Instruments, which tumbled was down 6.00 at 4,189.70 in \$5% to \$81 after a big increase in second quarter net income to \$184m falled to satisfy investors. The decline in the stock hit other semiconductor issues, with Motorola down \$1% at \$48%, National Semiconductor off \$% at \$17% and Dallas Semiconductor down \$2% at \$16%

Canada

Toronto stocks were easier in quiet midday trading as investors crased early gains and took profits after Thursday's rally. Losses in financial services, conglomerates and transport offset gains in communications and golds.

The TSE 300 composite index volume of 31.00m shares val-218, with 292 unchanged.

Brazil

Shares in São Paulo were up 2.7 per cent in heavy midmorning trade after another opinion poll showed that Mr Fernando Henrique Cardoso was continuing to make gains in the presidential race.

rates also provided support as banks cut the yields paid on 30-day certificates of deposit.

closed the session 3.26 higher

at 392.09, for a week's rise of

Written and edited by William

Cochrane, John Pitt and Michael

Johannesburg beld on to

strong gains on improved sen-

price and revised expectations

of better corporate results. The

overall index was up 69 at 5,576, the industrial index

added 76 to 6,383 and gold was

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**SOUTH AFRICA** 

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Morgen

ued at C\$411m. Advancing stocks led declines by 311 to

The Bovespa index of the 56 most-active shares was up 1,081 at 41,246 by 14.25 GMT. Falling domestic interest

AMSTERDAM was mainly unaffected by the expiry of options and the AEX index

In a way, you would be right. 1.6 per cent. The main international stocks were firmer, reflecting dollar stability: Royal Dutch was up F12.30 at F1 190.10 and Unilever was Fl 1.20 higher at Heineken, strong in recent sessions, slipped 50 cents to

Fl 221.50. Hoare Govett rated the stock a buy yesterday and forecast 1994 eps of FI 14.50 per share and FI 16.20 for 1995. MADRID was rescued by Telefónica which rose Pta50 to Pta1,870 in 5.7bn shares. Turnover was inflated by the closure of futures contracts but the general index rose only 0.13 to 302.79, up 3.1 per cent on the and 9 per cent against the

The direct impact of a falling dollar is almost always greater on bond than stock prices because investors to bonds fear that the drop in the dollar will

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# Dow remains resilient in face of weak dollar

Patrick Harverson on the currency shock waves

very week, stock market feed through into higher inflastrategists at US securi-I ties houses and banks send out reports to clients and journalists outlining their views on the current state of the financial markets and the economy, and the outlook for both. Every possible factor that might have an impact on stock prices, bond prices, and the economic environment is picked up, studied and commented upon. You name it, they analyse it.

Yet, in the past few weeks, the one factor that has grabbed most of the headlines, and dominated much of the talk among investors, politicians and policy-makers - the rapid decline in the value of the dollar - gets relatively short shrift in the majority of reports. The dollar does receive a mention every now and then, but you would think from reading the material that Wall Street's top equity strategists do not care greatly what hap-pens to the greenback.

Unlike the UK, where the pound is not only a key influence on the shape and direction of the economy but also a symbol of national virility, in the US the national currency plays a significantly less important role in economic

However, it has been clear in the last few months that the dollar's decline has been dis-turbing the financial markets, especially bonds. Since the end of March, when the dollar was holding relatively steady at around Y106 and DM1.68, it bas fallen 7.6 per cent against the yen (to a new post-1945 low)

D-Mark. Over the same period, the yield on the 30-year bond has jumped from 6.95 per cent to 7.67 per cent. Obviously, other factors such as monetary pollcy and economic statistics influenced bond prices but the numbers provide a broad indication of how the dollar can affect the government market.

Federal Reserve to raise interest rates to curb inflation and support the US currency; and that the falling dollar will make US financial assets (that is, bonds) less attractive to foreign investors.

Stocks do suffer because the price of bonds ultimately determines the interest rates at which US companies and consumers borrow money, but they suffer less than bonds because other factors, most notably corporate profitability. play a bigger role in determin-ing the value of stocks. Thus, it is no surprise to discover that since late March, whan the dollar began to decline

Industrial Av. Yen per 5 4,000 -3,900 3,800 3,700 -3.600 -

> sharply, the Dow has fallen only 3 per cent. One very good reason for the Dow's resilient performance in the face of dollar weakness is that a lower US currency is not necessarily bad news for stocks. When it comes to share prices, there are always good and bad points about a dollar

First, the good points. A weak dollar makes US products cheaper abroad, boosting exports and corporate earnings. It also attracts more visitors to the US, who spend their money on US products and services. Higher exports and more tourism dollars in turn help to reduce the massive US trade deficit. A lower dollar is also good for the earnings of US companies with big overseas sales in Japan and Germany,

those revenues they get more tion and eventually force the dollars for every yen and D-Mark spent on their products.

As for the bad points. A weak dollar makes foreign products more expensive in the US: this adds to inflation directly, and indirectly, because the rising cost of for eign-made goods gives competing US producers the cover to raise their own prices.

Also, a falling dollar is bad news because it deters foreign investors from wanting to own US-dollar denominated stocks and bonds, something which drop in share prices and the rise in long-term interest rates as measured by bond yields. Finally, a weaker dollar is often an indication that foreign investors do not like or trust US economic policy, which should always be a worry for the stock market.

This is the point that Mr John Lipsky, chief economist at Salomon Brothers in New York, believes is the key to understanding the impact of a devalued dollar on stocks. He says: "The most important implication of the dollar's weakness for the stock market is the implied lack of international investor confidence in US policles, the US economy and US financial markets. Hence, the juxtaposition of a weakening dollar, weakening bond market and weakening stock market have together formed the basis for concern."

r Lipsky, bowever, believes that fears about the impact of the falling dollar on US inflation bave been overplayed, because the dollar has not declined greatly on a tradeweighted basis.

In other words, in spite of all the headlines about a "dollar crisis", the US currency has fallen sharply only against the yen and D-mark, while actually strengthening against the Canadian dollar and Mexican peso. And in the list of US trade partners, Canada and Mexico rank first and third, respectively, so talk of imported inflation is mostly

17.2

# Zurich falls prey to fresh weakness in Roche

treasuries and in European bonds balped in some countries, particularly Germany, where the expiry of DTB options contracts exaggerated the ebullience of equities. However, there was continued equity weakness in Swit-

recovery in the dollar, in US

zeriand, where bonds were a strong market, and Madrid ran out of steam although Spanish bonds had been the strongest market of the week, writes Our

ZURICH was lifted by the expiry of July Intures contracts early in the day but, subsequently, Roche reasserted its negative influence. The SMI index finished 13.4 lower at 2,514.9, after a high of 2,556.3, and 1.8 per cent lower on the

In its latest market outlook, CS Investment Research said that the downside potential for the market was limited and that a turnround was likely in the next two to four weeks.

Roche certificates, under pressure earlier in the week after disappointing half-year sales figures, gave up SFr70 to SFr5.430 with foreign investors said to be taking profits after Tbursday's improvement. According to one analyst, it appeared that index-linked funds were selling in order to switch holdings out of Switzer-

FT-SE AC	uane	es Sha	are in	diges				
Jul 15 Hourly changes	Open	19.20	11.86			THE EUR	OPEAN 15.00	SERVES
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land. Ciba dipped SFr5 to SFr730 and Sandoz gave up SFr6 to SFr679.

Banks, which produce halfyear statements next month ended mixed. UBS lost SF16 to SFr1,166 and CS Holding rose

SFr4 to SFr577. FRANKFURT consolidated Thursday afternoon's gains on the surgs in bund futures, climbed about another percentage point on the session and then broke through the 2.100 mark in the afternoon, the Ibisindicated Dax ending the day 1.6 per cent higher over 24 hours at 2,103.54.

In official trading hours, it was up 2.1 per cent on the week at 2,093.61, turnover climbing from DM5.4bn to DM8.1bn, but market professionals said that both the scale of rises and business activity were inflated by the DTB

closures. It was noticeable, they said, that the most of the big moves

weighting in the Day. Allianz rose DM64 to DM2,497 on the ession, and another DM19 to DM2,516 after hours. The top three shares by moves in Ibls trading were Daimler, Deut-sche Bank and Siemens.

Outside the Day index the ladies, clothing company, Escada, put on DM31 or 9.6 per cent to DM353 on positive firsthalf figures, and the forecast that this year's results will exceed expectations.
MILAN was unable to main-

tain early momentum on the account as the clash between the government and magistrates over moves to limit powers of arrest in corruption cases raised the political tem-

The Comit index finished 9.91 higher at 711.12, a 3.5 per cent rise on the week However, the real-time Mibtel index reflected the day's pull-back, ending 16 higher at 11,294, after came to shares with a heavy an early high of 11.427.

2.8 per cent to 1.8 per cent in its model portfolio, commented that the government measures announced on Wednesday were unlikely to be sufficient to achieve their budgetary target, and that the deficit could rise to 11-12 per cent of GDP next year. The London-based group thought that the government failure to institute credible measures to reduce the deficit

in 1994 and 1995 would weigh

Independent Strategy, which

has reduced its exposure to

Italian equities from a neutral

heavily on financial market Mr Richard Davidson at Morgan Stanley also reiterated an underweight recommendation in Italy, commenting that the Berlusconi factor was no longer a positive and Italian politics looked as fragmented as ever. The market'a valuation was high at 21.6 times 1995 prospective earnings and there was still a significant equity supply overhang at a time

were slowing, he said. Telecommunications stocks remained in demand, Stet rising L89 to L5,607 and Sip adding L60 to L4,446.

when even domestic fund flows

Some insurers also continned their strong showing. Ina added L28 to L2,430 while Ras was up 1.550 to 1.26,200. Generali was an exception, giving up L350 to L41,850.

active list, Bt7 to Bt133 after a

WELLINGTON ended with

the NZSE-40 index 38.41 higher

at 2,012.51, up 2.9 per cent on

TAIPRI saw late buying of

financials and electronics push

the weighted index np by

102.89, or 1.6 per cent to a six-

month high of 6,407.50 in heavy

trade, 35 per cent up on the week, turnover rising to

T\$88.08bn from Thursday's

MANILA was lifted by the

Central Bank'e move to trim the level of required reserves

on bank deposits by three per-

centage points. The composite

index ended 47.07 np at

2,604.90, 0.8 per cent up on the

SEOUL, in contrast, fell on

profits.

the week.

T\$84.86bn

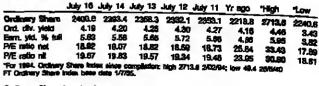
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price	Amount paid	Remain.	19	104		Closing	+00
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-	N	13/6	125pm	61pm	Charter	124nm	-35
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13 68 24	NR	22/6	1340m	1 <sup>3</sup> 20m	Greyocet	1 <sup>1</sup> 20m	
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FINANCIAL	TIME	S EQ	VIII	INDIC	Z\$
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1 Excluding intr	a-watest prog	ness and	CVECOOR	e tumos	rer.				200

# Hong Kong ahead with gain of 3.5%

Tokyo

The Nikkei average rose for the third consecutive session helped by stability in the currency markets, writes Emiko Terazono in Tokyo. The 225-issue index closed up

52.11 at 20,770.15, for a week's gain of 1.2 per cent, after rising to the day's high of 20,877.98 to the morning, before falling to a low of 20,718.14 on profit-taking and position adjustment ahead of the weekend.

Volume was 288m shares against 292m. Most investors were reluctant to accumulate positions ahead of the weekend. The Topix index of all first section stocks rose 3.95 to 1,668.47, while the Nikkei 300 edged up 0.56 to 303.03. Advances led declines by 579 to 393, with 200 issues remaining unchanged. In London, the ISE/ Nikkei 50 index was up 2.62 at 1352.88.

Some retail stocks were sought on restructuring efforts and the recent return in consumer confidence. Sogo, a department store, gained Y70 to Y821. Analysts said that although department store stocks had gone up substan-

FT-ACTUARIES WORLD INDICES

"They're good for the short term trader, but for the fundamental investor, clothing wholesalers are better investments." said Mr Paul Heaton retail analyat at Baring Securities.

Electric cable makers were higher on reports of government investment in fibre optic projects as a part of the government's information superhighway development. Furukawa Electric rose Y18 to Y731 and Nippon Hume Pipe gained Y52 to Y777.

Profit-taking depressed some issnes which had railled on Thursday: Aisin Seiki lost Y60 to Y1,450 and Sony Y100 to Nippon Telegraph and Telephone rose Y6,000 to Y859,000

and East Japan Railway gained Y5,000 to Y510,000. In Osaka, the OSE average put on 79.14 to 23,227.55 in volume of 29m shares.

Roundup steadier US and interest rate outlook

tially already, there was still region to accentuate the Farmers Bank topped the room for a rally over the next 'positive.

HONG KONG rose cent on the day and 8.1 per cent on the week, the Hang Seng index closing 308.74 higher at 9,117.02. Foreign funds poured back into the market, and turnover rose from HK\$3.84bn to HK\$5.11bn

Banks, about to report earnings, saw keen rotational buying interest. HSBC rising HK\$2.75 to HK\$87.50, its Hang Seng Bank unit by HK\$1.75 to HK\$54:50 and Bank of East Asia by HK\$1.50 to HK\$33.40. Properties: continued their rehound. SYDNEY noted a a continu-

ing futures rally as the All Ordinaries index closed 50.3, or 2.5 per cent better at 2,058.0, 4.7 per cent up on the week to turnover of nearly A\$600m. In futures; the September share price index contract rose 58 to 2070 after a gain of 48 points on

BANGKOK projected good second quarter finance and bank results and the SET index jumped 42.80, or 3.3 per cent to 1.344.17, 4.4 per cent better on the week.

local news reports that banks had been told by the central bank to refrain from stock tovestment.

The central Bank of Korea (BOK) denied the reports, but selling continued throughout the afternoon and the composite index closed 8.49 lower at

Turnover was Bt15.2bn, its highest since February I. Thai 950.23, almost flat on the

allowed	markets	in th	ne highest since	February 1. Thai	week.		
D INDIC	ES						
zd., Goldman, S	achs & Co. and	Nat/Yest	Securities Ltd. in conjunc	don with the inetitute of	Actuaries and t	the Faculty of Actuaries	
THUR!	DAY JULY 14	984	· · ·	- WEDNESDAY JULY 1	\$ 1994	DOLLAR MOEX -	_

NATIONAL AND				DRDAY.	JULY 14	1984			<u></u>	WEDNES	DAY JUL	Y 13 199	4	DC	M RALL	DEX -
REGIONAL MARKETS Figures in parentheses show number of lines	US	Day's Change	Pound Starting	Yen	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Doller Index	Pound Sterling Index	Yen Index		Local	52 week	52 week	Year ego (approx)
of stock	Index	96	inclex	ITAJOX								400.00	140.00			_
Australia (69)	168.34	1.0	159,58	104.58		152.47	1.7 0.7	3.61 1.05	165.67 186.22		108.41	133.30			138.29 149.23	
Austria (17)	189.23	0.5	179,35	117.55		151.98	0.8	4.13	169.63		105.37	135.82			143.62	
Beigium (37)	170.49	0.4	181.62	105.91	137.00	133.81 127.73	1.4	2.65	126.11	119,40	78.24	100.85				
Cenada (106)	127.81	1.2	120.97	79.28		222.88	a.e	1.33	208.52		187.22					
Derenerik (33)	299.88	0.1	255.84	197.66	216.87 125.25	167.68	0.0	0.85	158.95		97.38	125.52				
Finland (24)	,155.87	-0.7	147.76	96.83		143.16	0.0	3.13	173.13		107.42	138.48			149.50	
France (97)	172 <i>.2</i> 7	-0.5	163.30	107.02		113.96	0.1	1.81	142.30		88.33	113.85			112.89	
Germany (58)	141.81	-0.4	134,43	88.10	113.96	356.41	-0.3	3.38	360.45		223.64	268.27	357.54			
Hong Kong (56)	359.29	-0.3	340.60	223.21	288.73		0.7	3.41	195.24		121.14	158.15			157.80	
Ireland (14)	196.08	0.4	165.88	121.82	157.57	178.90	2.4	1.51	85.96		53.33	68.75			57.88	89.0
taly (61)	87.78	2.1	83.21	54.53	70.54	100.35	0.6	0.73	158.17		104.34	134.50			124.54	150.9
Japan (489)	168.97	0.5	160.17	104,87	135.76	104.97		1.73	484.76		288.36	371.70			822.50	
Meleysia (96)	473.51	1.9	448.88	294.17	390.52	472.23	1.9	1.88	1932.12		1186.78					1558.7
Mexico (18)	1915.67	-0.8	1618.17	1180.21	1538.57	7123.07	-0.8		204,60		127.07	163.79		207.43		
Netherland (27)	204.48	-0.2	193.84	127.03	164.32	161.76	0.6	3.51	.68.80	83.25	41.45	53,43	58.57	77.59	51.62	
New Zeetand (14)	65.86	-1.4	62.43	40.91	52.92	58.49	-0.1	4.09	198.56		124.06	159.81	183.03			
No.	203.40	1.7	192.62	126,36	165.46	186.76	2.0	1,77				267.55		378.92		245.3
Norway (23)	990 99	1,4	321.57	210.74	272.60	235.50	1.5	1.79	334.54		207.57	222.07	280.40		244.27	
Singepore (44)		3.6	271.18	177,70	229.86	292.28	0.7	2:24	277.88	282.00	172.29				175.93	
South Africa (59)	200.04	-0.1	135.77	88.93	115.04	138.25	0.6	4.18	143,24		88,87	114.55		155.79	116.83	120.5
Spein (42),	, 143.10	-0.2	201.14	131,81	170.51	240.95	0.6	1.66	212,58		131,89	170.00		231,35	168.75	171.2
Sweden (36)	212.10		150.29	98,49	127.40	126.17	1.9	1.86	156.53		97,12	125.19	125.78	176.56	124.48	128.9
Setizerland (47)	158.34	1.3	184.25	120.75	156.18	184.25	1,4	4.00	121.80		112.06	153.48	181,67	214.95	170.49	173.2
United Kingdom (204)	. 194.36	1.3		114.99	148.74	185.09	1.1	2.90	183,12	173,37	113.82	146.45	183,12	198.04	178.95	184,34
USA (519)	185.09	1.1	175,46	114.50	140-74		_		168.72	150.74	104.83	134.83	149.15	178.58	142.82	144.17
		0.6	160.89	105,44	136.38	150.65	1.0	3.09			130,85	188.79	202.30		180.69	182.5
EUROPE (720)	109.72	-0.1	199.97	131.05	189.52	203.83	0.8	1,46	,211.06	199.62		139.80	112.47	175.87		
Vordic (116)			186.29	108.97	140.96	114.20	0.6	1.04	174.55	185.26	108.30				134.79	154,1
Pacific Basin (750)		0.5	163.89	107.40	138.83	129.01	6.0	1.89	171.97	162,81	108.70	137.53	128.01	172.88	143.88	149,9
Euro-Pacific (1470)	172.89	0.5	172.08	112.77	145.87	161.15	1.1	2.89	179.58	170.02	111.42	143.62	179.19		175.67	180.7
North America (625)	181.52	1.1	144.72	94.84	122.68	130.64	0.7	2.49	152.33		94.54	121.87	129.89	157.47	124.77	125.8
Prope Ex UK 518	. 152.66	0.2		150.11	194,17	216.52	0.0	2.95	240.09	227.32	148.97	182.02	214.59	296.21	184.93	186.3
Pacific Ex. Japan (281)	241.63	0.6	229.06		138.58	132.26	0.8	1.91	172.70	163.51	107.15	138.12	131.24	173,70	145.55	150,6
Horse Ex. US (1653)		0.6	164.66	107.91	140.40	145.19	0.8	2.06	173.51	184.28	107.66	138.77	144,00	175.58	155,96	159.77
World Ex. UK (1968)		0.7	165.62	108.54		147.76	9.0	2.25	174.52	.155.23	106.28	139.57	148,47	178.56	158,54	160.7
World Ex. So. At. (2113)		0.7	168.64	109,20	141,26		1.0	2.94	181.25	. 471.60	112,45	144.95	171.98	195.20	166.51	168.18
Morid Ex. Jepan (1703)	_192.83	0.9	173.32	113.58	148.92	173.69				402.00	108.67	140.07	147.47	178.97	158.B5	160.93
		~ ~ ~	167.28	109.62	141,80	148.77	0.9	2.25	175.15	185.89	100,07	14001	1-77-741	110.81	130.03	100.80
The World Index (2172)	. 176.46	6.8	107.20													

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INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

EXTRACTIVE INDUSTRIES

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0.9 296.1 43 13.3 39.9 50 - 78.1 -18.5 0.9 2972 14.4 7.6 46.5 -2.1 - 146.8 4.5 - 117.9 5.1 - 12.7 12.8 75 844 -41 65 1455 79 55 2768 82 28 4588 82 14 458 7 83 - 1172 44 44 1897 179 28 1354 32 65 1173 08

113.0 10.5 4.6 130.7 Jul 113.0 10.5 7.1 93.0 -392 - 227.4 583. 

36 1967 93 - 965 65 - 1115 60 - 1116 4 92 19642112040165957651293533163344766215

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# FINANCIAL TIMES

Weekend July 16/July 17 1994



Society hopes scheme will avoid court move

# C&G confident of plan to allow Lloyds merger

By Alison Smith

Cheltenham & Gloucester Building Society said yesterday it was confident of devising a scheme that would enable the agreed takeover bid by Lloyds Bank to proceed, without having to appeal against last month's High Court judgment.
While C&G balieves the deal,

heralded as overcoming the obstacles for banks in taking over building societies, can go ahead, it also signalled that there could be e delay in the time-

A restructured plan for distributing the £1.8bn offered by Lloyds and a new timetable for getting the agreement of C&G's 1.4m members, are now expected to be announced in mid-August.

Yesterday's statement, which came a few days before the deadline for deciding whether to seek an expedited appeal, is a sign that C&G already has an outline revision of the original

C&G's task is to devise a lawful scheme giving the greatest possible overlap between members who can vote and members who are eligible for cash payments. The smaller number of those qualifying for payments means that the payments themselves should be higher than originally

Lloyds Bank shares rose yester-day after C&G's statement to close 21p up at 557p, as the bank's strategy of expanding its share of the retail financial services market appeared to be back on track. If approved, the bid would create the fourth largest mortgage lender in the UK, sup-plying 7 per cent of the home mortgage market.

The new scheme will have to take account of the decision by Sir Donald Nicholls, the vicechancellor, that cash payments could not be made to investors of less than two years' standing, or to borrowers from the society.

This confirmed the 1986 Building Societies Act which intended

to stop "speculative flows" between societies, by creating a class of members who could vote on such an offer without being eligible for any immediate cash benefit if it proceeded.

The very high voting thresh-olds required under hullding society legislation for members to give their approval for such a deal means that these votes could be critical to acceptance of the

Mr Andrew Longhurst, C&G chief executive, and Sir Brian Pit-man, Lloyds Bank chief execu-tive, both expressed confidence in the continuing long-term ratio-nale for the deal.

The original schedule envis-aged the deal being concluded in the second quarter of next year after a Lloyds Bank extraordinary general meeting in mid-November and a special general meeting of C&G members later the same month

Background, Page 7

# Railtrack plans appeal to staff as union steps up strike action

By Robert Taylor, Labour Correspondent

Railtrack plans to make a further direct appeal to its 4,600 striking signalling staff in an attempt to prevent the stepping up of the dispute after next week.

The company will write to staff with more details of its latest productivity pay offer in the next

few days. Railtrack managers said signalling staff are confused by their union executive's decision to move to a 48-hour strike from noon on Tuesday, July 26. The sixth 24-hour Wednesday stoppage is planned for July 20. Railtrack said it had heard

from about a quarter of the strikers on a special telephone "hotline" over the past fortnight campaign. While the company £300 in pay through the strikes. place to do husiness.

remain loyal to their union's leadership, the calls were helping management clarify and improve its pay offer.

An official said that Railtrack had not yet reached the point when it might consider imposing new contracts of employment on the signalling grades which

would change working practices.
The company has ruled out the
option of dismissing the signalling staff and replacing them with a newly trained workforce. Railtrack believes that would close down the network for at least three months and deal a mortal blow to the company's

Railtrack continues to hope staff will put pressure on the RMT leadership to restart peace The staff have already lost

acknowledges that the staff They are set to lose as much as £180 a week, more than 60 per cent of their earnings, if they

move to 48 hour stoppages. Mr Jimmy Knapp, the RMT's general secretary, said yesterday there were still 10 days left to reach a settlement with Railtrack before the first consecutive three days disruption takes place.

He continued to insist that Railtrack must agree to an interim payment for past efficiency achievements before going on to negotiate a restructuring package worth between 13 and 26 per cent on basic rates.

Employer organisations are concerned at the cost of the rail conflict for business. The Institute of Directors warned yesterday it could seriously damage the economic recovery and hit Britain's reputation as a reliable

# **Dollar boost | Italian corruption suspects**

Continued from Page 1

Analysts were sceptical yester-day, though, about whether the US currency was experiencing anything more than a temporary correction. Investor sentiment towards the currency remains

Mr Avinash Persaud, head of currency strategy at JP Morgan, said the US Federal Reserve was slow to respond to inflationary pressures. He said he doubted whether the sharp rally in US bond prices, which supported the dollar, could run much further.

**Europe today** 

the Balkans and Poland.

Five-day forecast

TODAY'S TEMPERATURES

Spain's Medit

High pressure over western Europe will bring mainty dry conditions. The Channel area and the Benefux countries will be cloudy. Spain and Portugal will have thunder showers during

Greece and Italy will also be sunny and warm. There will be strong northerly winds over the Aegean Sea. Central Europe will be mainty sunny with some local thunder showers over

Temperatures in Sweden and Norway will fall slightly, but Finland will continue warm.

After sunny and warm conditions, thunder storms will move from Spain through western France towards the Benefux countries and

Germany.
The Mediterranean holiday resorts will continue sunny and warm with high temperatures spreading again over Italy and The British Isles will become more unsettled as depressions approach early next week. Scandinavia will stay warm with some thunder

Continued from Page 1

Biondi, the justice minister. "Everything can be modified, as long as the basis of the decree

is not overturned." The prime minister said the decree had his full backing and that of the whole cabinet.

In a raference to the Milan team, Mr Berlusconi said certain magistrates "had become stars, and are disappointed if their faces don't appear on television frequently. What better way to become the centre of attention than to adopt this or that measure reducing people's liberty

Your bonus program. Lufthansa Miles & More.

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Chicag

and putting them in prison"?
Mr Antonio Di Pietro has led the two-year crusade against widespread corruption in Italian husinass and politics which brought down the previous regime and prepared the way for Mr Berlusconi to win office in the

March general election. While Mr Di Pietro's prosecution of suspects in the first of the so-called Tangentopoli ("Bribesville") trials has been followed by the public on television, questions have been raised about the magistrates' use of the media and the threat of detention to shame suspects into confession.

# Blair ends campaign on pledge to reform

John Smith as Lahour leader, committed the party yesterday to a sweeping constitutional shake-up, including parliamen-tary reform, devolution and human rights legislation.

ment by pledging that he would insist on "the highest standards" ministers and party officials.

announced at a special conference in London on Thursday. Friends say that Mr Blair has already begun to think about changes to the opposition front bench team, although he has

Mr John Prescott, the shadow employment secretary, is increasingly confident of victory in the

Mrs Margaret Beckett. cial Times in an interview that it was "perfectly possible" that she might fail to win either of the

"I am used to going into elec-

electorate," she said.

Mr Blair said in Cardiff that government under both parties had become centralised, bureaucratic and indifferent to the fundamental rights of citizens.

concern about the impact of quangos (quasi autonomous non-governmental organisations) by linking constitutional issues directly to economic prosperity.

lowed up by quangos, to be spent on projects they know nothing about, hy Tories they have never voted for," he said.

Mr Blair put his full weight behind a long list of constitutional changes, including devolu-tion for Scotland, Wales and the English regions; greater powers for local government; abolition of the rights of hereditary peers to sit in parliament; incorporation into domestic law of the European Convention on Human

# constitution

By Kevin Brown,

Mr Tony Blair, the runaway favourite to succeed the late

In the last of six speeches aimed at the 4.5m voters in the leadarship election, Mr Blair promised to deliver "a new constitutional settlement" in the first term a Labour government. He also sought to exploit continuing concerns about the probity of the Conservative govern-

of honesty and integrity from Mr Blair's comments reflect confidence among his advisers that he will win by a substantial

margin when the results are

decided to to delay a shake-up race for the deputy leadership, which is also being contested by

Mrs Beckett, who was Mr Smith's deputy from 1992 until his death in May, told the Finanleadership posts.

tions that I might not win, and having to make my case and abide by the judgment of the

He also sought to raise public

"People care that vast amounts of their money is being swal-

Rights; and a Freedom of Information Act.

Interviews, Page

### THE LEX COLUMN

# Rebounding with bonds

The UK equity market has had an impressive week, with the FT-SE 100 index putting on over 100 points. Since the trough at the end of June, the index has recouped about a third of the loss it had suffered from the peak in early February. The big questions are whether current share prices are sustainable and, indeed, whether the change in mood will be strong enough to carry the market back to its previ-

ous peak. The main factor behind the market's bounce has been the recovery in European bond markets. Time and again economic statistics have reinforced the viaw that there is so far no sign of inflation. This week's news on UK retail prices and wage inflation was positive. European markets even took in their stride the dollar mini-crisis which subsided in mid-week. It was possible to argue that, with the dollar on a slide, European assets provided a safe haven. And, following the depreciation of sterling against the D-Mark, UK assets have started to look particularly cheap to continental investors.

If bonds maintain their poise, equities should have little problem holding current levels. The market could even regain its previous peak if corporate earnings shoot ahead when the reporting season begins in the autumn. But bears see clouds on the horizon. Though inflation has not yet reared its ugly head, it could just be hiding. Moreover, the dollar's recent recovery still seems fragile. If its downward slide resumes. European asset markets might have to review their recent indifference to what happens on the other side of the Atlantic.

### Share settlement

Neither hig investment institutions nor private shareholders have much to fear from the UK stock market's move to 10-day rolling settlement on Monday. The fortnightly account system which ended yestarday often demanded that bargains were settled in less than 10 days. And while investors accustomed to using the whole account as a period of credit will be inconvenienced, that does not seem an unhearable price. The transition should be smooth so long as brokers and shareholders of all sizes have their administration up to scratch.

Yet 10-day settlement is not meant to be more than an interim stage. Early next year, the settlement period will be halved. Whether the current paper-based system can be compressed still further without causing disrup-

## FT-SE Index: 3074.8 (+24.4) FT-SE 100 Index



tion is a moot point. Many institutions fear a sharp increase in the number of failed trades and want the same stock borrowing privileges as market-

makers enjoy as a safeguard.

Life will be harder for private investors. The extended settlement periods now being offered by some private cli-ent stockbrokers are helpful. But it is difficult to believe these will endure. Most private investors will find that opening a nominee account and depositing cash with a broker are the only practical answers to five-day settlement. Other than the obvious issue of cost, it would be a shame if nominee accounts spoiled the direct link between companies and small shareholders. One can only hope that market forces will bring about nominee services as slick and efficient as the promised system of settlement.

### Lloyds/C&G

Any disappointment the market felt about the High Court judgment block-ing Lloyds' bid for Cheltenham & Gloucester has proved short lived. C&G's confident assertion that it could find an alternative means of consumating its takeover cheered investors yesterday. But the 4 per cent rise in Lloyds' shares seemed a touch excessive given the market had long assumed the deal would succeed. HSBC's strong showing and a general bounce in the hanking sector may have been the more influential cause of Lloyds' huoyancy.
As yet, there is little clue how C&G

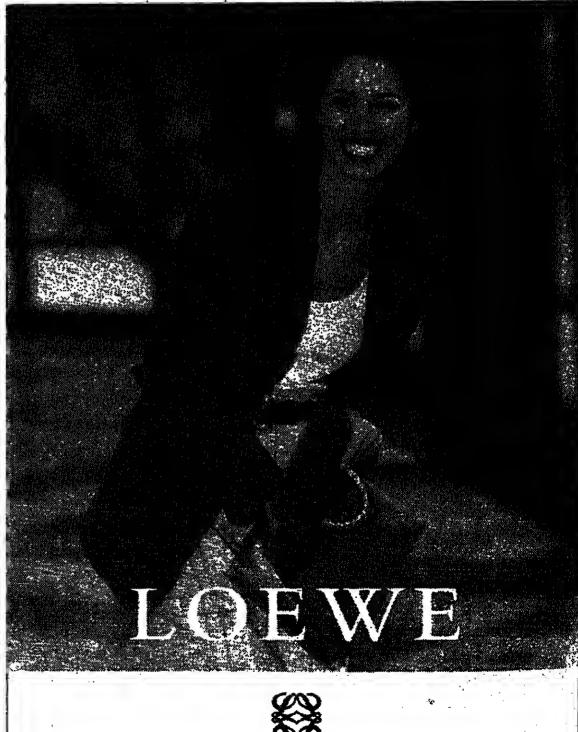
will proceed. But the building society did stop opening new accounts with voting rights soon after the judgment. One way to get around the judgment bers qualified to vote by having their accounts open for two years. But the talk of concluding a deal by mid-August suggests that C&G may have devised a more elegant solution.

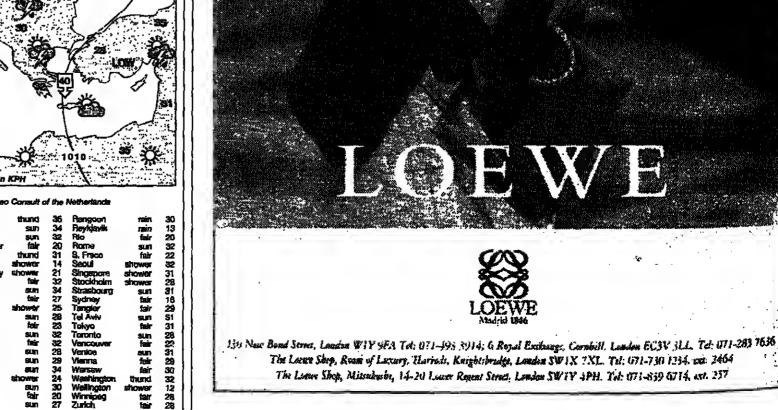
The details of the deal will make little difference to Lloyds. It has put £1.8bn on the table and is only likely to change the form, not the substance of its offer. It would perhaps be better to defer payments as long as possible rather than paying the full amount up-front. But either way, the differences are marginal. Other banks with designs on building societies will be keen to learn C&G's secret formula But whether it makes sense for them to follow suit is debatable. The remaining targets seem less attractive than C&G. The take-out prices are likely to be steeper.

BT may retreat into its bunker following a survey showing that several of its largest shareholders have a poor opinion of its top management. The company may seek to comfort itself with the notion that the survey, conducted by its stockbroker Cazenove, was clumsily handled and so not a true reflection of opinion. Alternativaly, it could lambast some shareholders' comments for being flippant or criticise those interviewed who did not know the names of top managers as ignorant.

But such a reaction to the survey which was conducted over the past fortnight, would be a mistake. BT has long suffered from a fortress mentality, in part because it is still making the long journey from state-owned monopoly to private-sector corporation. Indeed, one point made hy some shareholders is that BT is aloof. The right reaction would be to lower lts drawhridge and make a determined effort to address investors' concerns.

Although the survey's results have not been published, those who took part have spoken about their views. One message is that some are confused over who is running the com-pany. Sir Iain Vallance is both chairman and chief executive, but Mr Michael Hepher, group managing director, is seen by some investors as effectively the chief executive. BT is such a buge organisation that it will never be possible to say that a single person runs it. But its vastness is also a reason for allocating responsibilities as clearly as possible. If investors are confused, BT must enlighten them.







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# Veekend FT

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HILLY

Weekend July 16/July 17 1994

# Confessions of a temporary sports writer

Jurek Martin, US Editor, has spent a month covering the World Cup. The task, he admits, has had a 'curiously restorative effect'

time capsule, you know that the World Cup of soccer stages its final tomorrow in the Rose Bowl in Pasadena, near Los Angeles. You will also know who it is between (Italy and Brazil), how they got there and who their star players are.

You will also have got the impression that the whole tournament, held for the first time in the US, has been quite a hit, on the field and off it. All this you will know, even if you do not care too much, because the World Cup has been inescapable for a month. As much as half the population of the world may watch the final on television, which is more than can be said for any other event. political, military or cultural, though the Apocalypse might get good ratings if properly previewed. What you cannot know, because

it has never before been revealed other than to a select few, is its impact on one person. If all politics is local, all sports is personal, so here is a confession. I like sports. I watch quite a lot of them and play quite a few of them, with degrees of competence ranging from the subpar (sadly not in the golfing sense) to the snb-human. But I know an oshi-dashi when I see one: I recognise when the in-field fly rule applies; and I have a well-thumbed collection of the very best sports writing from Lardner through

Angell to Boswell. But soccer has never been kind to me, at least not since I was 10 and the second highest goalscorer on the RGS Worcester prep school team (whatever happened to Barry Dinsdale?). It has given me a broken

now runs through the medial epi-condyle of my left elbow, an impedi-ment to the promising career of a slow bowler. For this and other metaphysical reasons I have not kicked a ball in anger or design for 30 years.

Soccer had also begun to bore. The English game seemed brutal and the international game, as in the last World Cup, tactically sterile. The English stadiums were Victorian, the crowds ugly and the edge of partisanship, local and national, unpleasant,

I found I did not care who won the FA Cup, the League Cup or the Nissan Chocolate Coloured Peanut Cup. I once saw Gazza in the flesh he was played off the Highbury field in London in an under-21 interna-tional by someone called Cantona hut compensated by head-butting another Frenchman - and could not understand what all the fuss was

So my heart did not initially soar like a hawk when it was suggested by the power-that-be that because I was known to have sporting interests, and because the World Cup was coming my way. I might like to take it on. It did not exactly sink like a lead waistcoat, either, because a break from trade wars and "gates" beyond number had its charms, but the mental jury was still out.

For a start, if you are going to cover anything, from goldfish rac-ing to the White House, homework is necessary, which is not easy to do in a country where soccer has not necessarily outdrawn goldfish racing since Pelé retired. Of course, the



Romário, star of Brazil and of the World Cup, celeb dena. Brazil olav Italy in tomorrow's final

in places easily accessible without a guide to suburban schools and public parks and not at an instructive level, unless "swarm soccer" (the term needs no explanation) by sixyear-old girls is the wave of the future.

Most countries are very insular about their sporting passions, none more so than the US, though Sports Illustrated, the bible, did devote a page and a picture to Brian Lara a few weeks back. Baseball has a "World Series", but only teams from North America are eligible and only two years ago did a Canadian side actually win it (directly leading to the ohliteration of the conservative government in Ott-

There is no serious international competition for the US in American football and none in basketball, either. When the US hoops team game is played extensively, but not lost to the Soviet Union in the 1972 the former gridiron great, all of

Olympics, a hot war nearly ensued, only resolved in the Gorbachev era when the best US professionals were allowed to win gold medals by beating up teams from Senegal, or possibly the Ivory Coast.

So, as seen from the western side of the Atlantic in the months preceding the Cup, the earnestness of the US organisational build-up was not much help. Apart from Diego Maradona, Lothar Matthaus and Roberto Baggio - all dutifully profiled - the players seemed indistinguishable, with the exception of the US team, which was profiled to

In spite of this, the US did OK, making the second round and only losing by a goal to Brazil. But any sane person's appetite for profiles over the last month has been sated by those that accompanied the murder charges against O.J. Simpson,

which tended to prove that the qualities that make a fine football player do not necessarily relate, whatever the image-makers may try on, to real life. So what if Baggio is

a Buddhist? There were, of course, engaging diversions. But the technical challenges of growing live grass in the enclosed Superdome in Pontiac, Michigan, can only have seriously fascinated ardent horticulturalists. Equally, there was an instant surge in the demand for computer and graphic designers able to depict how to trap, head and pass a ball, but that I knew already from dim

Occasional controversy hubbled out of the organisation. Journalists were asked to put down a \$500 deposit for accreditation, which seemed un-American. Worse, we were asked to agree to security checks into our backgrounds, which

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seemed illegal. This requirement was only withdrawn in the face of the sort of US media opposition that could have resulted in no domestic coverage at all.

Then, although the dreaded British fans were not coming, fear of Norwegians rendered crazy by reindeer meat past its sell-by date and of Koreans high on kimchee prompted the announcement that security fences would be placed around the perimeter of several venues, including RFK Stadium in Washington, Local opinion was outraged. Why not heads on stakes or a most filled with piranhas, wrote Tony Kornbeiser, the Washington

Post's very funny columnist. Meanwhile, in the real world of the baseball diamond. Ripken was closing in on Gehrig's record for durability. Griffey was on a homerun pace to beat Maris, and there ware rumours, finally confirmed,

that the great Valenzuela would again be lured out of his Mexican fastness. No, life did not look prom-ising for me, the World Cup or the power-that-be.

Then it started it began just a month ago in Soldier Field, Chi-cago, with Germany playing Bolivia, an unpromising match-up if ever there was one, but it was not half bad. Then It escalated - two, three, four games a day, a cornucopia. Games could be caught in the flesh, on the box, in English and Spanish (much better in Spanish, no language lessons necessary - the average length of commentator Andreas Cantor's shout of "Goal!!!!!!" was computed at 6.7 sec-

onds). There was drama, there was bathos, high play and low play. upsets and routs. Maradona and the

Continued on Page XII

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From Madrid to Galicia and from haute cuisine to tapas. FT food and drink writers visit Spain ...

Finance & the Family Food & Drink Gardening How To Spond II

# Jumping Jupiter!

For the week of the end of the world, Freddie seemed surprisingly cheerful. "My coffee futures positions are up 200 per cent this year," he hoasted. "Never thought I would enjoy a bracing hard frost quite so much!" I should have

known better than to accept an invita-tion to the annual Candlestick Charts Convention. Scarcely had I emerged blinking from the session on combining candlesticks with stochastic oscillators than inevitahly (it seemed) Fringe Freddie was there with the rasping voice, the gleam in the eyes and tha overwhelming

enthusiasm for the latest asoteric

investment pursuit. I was trapped. If

only I had a mobile phone that might conveniently ring ...
"Stop writing all that rubbish about paper securities. Fill your boots with commodities, dear boy," he thundered. Bonds are fraudulent, equities are

"Mind you when the fragments of Jupiter hit us we may be dead too, like the dinosaurs 65m years ago when the comet came here. But just think what two years with the sun blotted out would do to the prices of softs. Worst case scenario, of course - but not priced into the markets at all." Freddie

grinned happily at the prospect. Presumably, I replied, he was referring to the imminent collision of fragments of the Shoemaker-Levy 9 comet with the planet Jupiter. More than 20 pieces of the broken-up comet would slam into the planet at a speed of 60km a second over a period of a few days, starting this weekend. But surely scientists were predicting that the impacts would be unobservable from the Earth, however uncomfortable they might be for any aliens who happened to be domiciled on the wrong part of Jupiter.

Hardly had I said this, than I realised I was simply providing raw material input for Freddie's conspiracy theory tendency. "But what are the scientists privately telling the world's leaders?"

Freddie said. "What we see in the con-ventional media is a typical cover-up to prevent a global panic. Fact is, there's a 50-50 chance that the outer layers of Jupiter will be blown off to create a dust cloud that could reach as far as the Earth's orbit, cutting sunlight levels by half for up to two years, and incidentally disrupting other cometary paths. It's all been set out in the Astrofinancial Letter, but of course the establishment papers have been told to keep quiet. So buy agricultural commodities, and while you're about it, short suntan

cream shares too." There was no stopping Freddie now. "Haven't you wondered why they did nothing at the global summit in Naples last weekend about the collapse of tha dollar? The answer's simple, they knew they didn't need to. When Jupiter blows, the big agricultural producers like the US will hold the rest of the world to ransom. The yen will be dead

old on, I said impatiently, Freddie should know he has a tendency for fads and fashions to get the better of him. Last time we met he was heavily into gold at, if I remembered correctly, about \$380 an ounce. But it had gone nowhere. Whatever happened to his theories about inflation and monetary collanse?

"Only a matter of time," said Freddie. The gold market has been rigged. Haven't you also wondered why the bullion price has been so unnaturally steady recently? There's been a secret deal between the Americans and the Saudis: if the Saudis dump gold and help to hold the price down the Americans will push the crude oil price up by buying for their strategic reserve. Neat, eh?" But this was just another wild, unproven idea, I protested. There had been so many in the past. What was it he had said on a previous meeting about the eruption of Mount Pinatubo and the cloud of dust which would cool the globe? But the temperature in London had hit 92° this week. Now, it appeared, he was importing a cloud of dust from Jupiter to replace the unrelia-

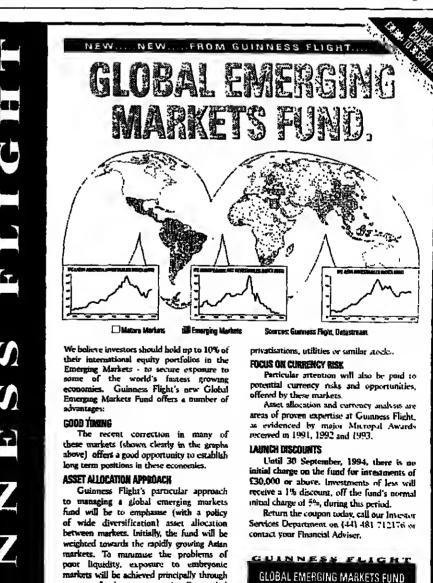
ble terrestrial volcanic variety. "Jupiter is the icing on the cake, old boy," he rasped. "It's all happening to commodities already. It only takes a cold front or two over Minas Gerais state in southern Brazil to send the coffee price up threefold. Western consumers have become complacent about commodity prices but they're on a knife-edge. Coffee is still only half the price it reached in the 1970s. The Third

World is going to hit back." Don't bet on it, I said. The coffee bubble was a completely artificial creation of the US commodity and hedge funds which had created a one-way market. They were in league with greedy Brazilian farmers amd merchants phoming in uncorroborated scare stories of killer frosts.

In any case, only half the Minas Gerais crop could be affected at maximum. That was only 5 per cent of the global coffee crop. How could that possibly justify a trebled price? Nestlé and Maxwell House would not fall for such a basic trick. In any case, just wait until the hedge funds started to rotate into something else.

reddie looked at me pityingly. "This is just the start of the dash into real assets," he said. "No one's woken up to just what the politicians are doing. The Germans have given up controlling the money supply. Their M3 is rising at 15 per cent a year and the Bundesbank is just laughing. Meanwhile the Americans are hell-bent on devaluing the dollar to sustain the US economy long enough to get Clinton re-elected in 1996. Gullible investors are being stuffed with trillions in global bonds which the politicians plan to repay in Micky Mouse money. I'd rather own Euro Disney shares, myself."

Er, fascinating stuff, I said unconvincingly, but it was time for the presentation on candlesticks and Elliott Waves. Perhaps we could meet later for coffee? "I can't afford to drink the stuff any more," said Freddie. "Much too expensive. I've switched to tea instead.



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Return to. Guinness Flight Fired Managers (Guernsey) Limited, Guinness Flight House, PO Box 250, St Peter Prin, Guernsey, GYT JQH - Tel: (44) 481-712176, Fax: [44) 481-712065, Please send me details of the new Guinness Flight Global Emerging Marketa Fund.

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country funds or internationally traded

### MARKETS

## London Foreigners return in force

Roderick Oram

uy in July and missing out on the recovery hope high they stay was the equity motto of the week, emboldening a nervous market and turning an old aphorism on its head. Encouraged by rallying European bond markets, investors, particularly foreigners, returned in force to London equities for the first time since Gilts had a particularly good February. The FT-SE 100 index gained 112.4 points, or 3.8 per cent, on the week to close at 3,074.8.

Playing by the old rule of sell in May and stay away cautious investors had captured a good chunk of each year's gains ovar the past decade except

Last year the market rose 23 per cent from its July trough to its December peak. This year, anyone rash enough to sell in May would be in just as much trouble. They would have crystallised a loss of 18 per cent since the market peaked in February if their portfolios tracked the FT-SE 100 index. They would also be

FT-SE 100 Index

British Steel

Carlton Comms

Great Universal

Low (Wm)

Peel Hidgs

Sedgwick

Wills Corroon

Rank Organisation

BAA

FT-SF Mid 250 Index

Price

3074.8

3551.3

955

400

157

884

620

574

574

253

638

289

402

162

135

+112.4

JOB 7

+34

+15

+40

+32

+21

+63

+84

+55

-23

+40

+11%

that appears to be underway. The trigger was a switch by global investors out of dollar bonds into European bonds. They were seeking some haven from the dollar which continued to fall after the Group of Seven summit last weekend failed to offer it support.

rally. They rose six days in a row up to Thursday's close, their longest continuons improvement since their rout had begun in February. The run stalled yesterday, however, when the Bank of England announced it would sell longdated gilts at its next auction This would appear to signal that the authorities believa yields will fall no further, having reached a level appropriate to economic conditions

In spite of yesterday's hic-cup, optimism is running high in bond markets. False dawns have been seen regularly but this rally has a more positive feel," says the bond team at NatWest Capital Markets. "Although still regarded with

HIGHLIGHTS OF THE WEEK

LOW

1211/2

\$10%

549%

488

138

520

Bro

2876.6 Overseas fund buying

3363.4 Growth stocks bought

880 Bumper traffic fig for June

Share buy-back hope

Confident agm statemen

Counter bid anticipation

157 Credit Lyonnais downgrade

High Court ruling overshadows

Better than expected figures

570 Channel Five news

133 Seller of 2% stake

Oil price toos \$18 a barrel

Profit expectations upgraded

Advertising spend forecasts up

High

3520.3

4152.8

1083

4141/2

162

1047

632

653

628

253

735

399

447%

222

245

3,300 FT-SE 100 Inde 3,100 200 2,800 2,700

Upturn looks even better to German investors

suspicion, the much vaunted decoupling between US and European markets has been

The optimism was reinforced by this week's UK economic data. June's beadline annual inflation rate was unchanged at 2.6 per cent and, minus mortgages, it slipped to 2.4 per cent from 2.5 per cent in May. Unemployment fell in June for the fifth consecutive month and manufacturing employment rose for the seventh time in 12 months. Construction orders in May hit a four-year

Spurred by the gilts rally and the economic outlook. equities enjoyed four strong aesaions through the week with the Footsie index gaining more than 40 points two days in s row. The keenest buying appeared to come, however, from foreign rather than domestic investors. One London brokerage house said an unusually high proportion of its commissions this week had come from the Continent. British institutions could

still be cautious for several reasons: they have remained well invested in equities through the first-half slide; they are still feeling nervous about financial markets after suffering befty bond losses; indexlinked gilts are still offering a high return relative to divi-dend yields. These investors are unlikely to return with conviction to equities until this key relationship tilts in equities' favour and markets show some durable stability.

Continental investors have a different perspective, however, argues Ian Harnett, chief economist and strategist at Société Générale Strauss Turnbull, Valuations of the UK market look attractive relative to their home markets. The prospective price/earnings multiple for the UK market is, for example, the lowest of any major market; the yield relative between gilts and equities is well below its five-year average, unlike in the US or other European markets; the outlook for UK growth and inflation is positive; sterling's recent fall against the DM and rise against the dollar will increase the competitiveness of UK exports while helping to

keep down imported inflation. German investors, in particular, appear to have been big buyers this past week. All the positive factors about UK equities are true for them, with the currency factor playing a big role. Many had exited from UK equities in February when the market and DM/sterling exchange rate peaked. They had liquidated their UK portfohos when the pound was close

to DM2.60. Now the pound is down to DM2.40, the Footise index looks as attractive to them as it would to UK institutions at 2,700. Harnett argues

A keenly-priced cross-border deal was also one of the main stories of the week on the corporate scene. Tesco made an sgreed \$200m bid for William Low, the Scottish supermarket chain. The purchase would boost the English chain's share of the Scottish market from 7.1 per cent and fourth place to 13.7 per cent and second place. J Sainsbury, the leading UK chain, could spoil the deal with a counter-bid but such a move would be uncharacteristic. Low became vulnerable to a takeover after discount chains began to expose the high overhead it was trying to carry on

a narrow geographic base. While the Tesco bid was driven by commercial logic, It could also indicate that the stock market is again offering attractive enough values for a resumption of bids. While the stock market rallied strongly from last July to this February, many acquisitive companies complained valuations were too rich to make takeovers

One conglomerateur who could boast of success this week was Greg Hutchings, head of Tomkins. His October 1992 purchase of Rank Hovis McDougall, the baker and foods group, was much criticised by the market but in the year to April results reported this week, RHM contributed at least four percentage points to the 14 per cent rise in earnings per share. The only thing Hutchings laments is that investors are still reluctant to buy Tomkins shares in the hopes they will stay high.

Serious Money

# First the rethink. then the squabble

Gillian O'Connor, personal finance editor

heltenham Gloucester savers and borrowers have another nail-biting month ahead of them. The society has abandoned its original scheme for dividing up Lloyds Bank's £1.8bn. The scheme was vetoed in the High Court in June, and C&G has decided not to appeal.

It is, however, confident that it can produce a new scheme which will be acceptable to members and lawvers alike. Details and a timetable are expected in mid August. (See Section I of today's paper.)
All those scheduled origi-

nally to benefit from the division of the spoils should keep their fingers crossed. Those who have most to hope and least to fear are the savers with qualifying accounts who have held them for more than two years.

Those with cause to worry are savers with less than two years' service and borrowers. Their strength is that they account for roughly a quarter of the votes, so C&G is eager to have them on-side. But even if it would like to find other ways of getting money into their pockets, its options are limited - particularly for rewarding borrowers. (See Sec-

tion I for some possibilities.) Whatever the new plan, the danger is of a wrangle between voting members with different interests; this could scupper tha plan. As in some Victorian melodrama, both legitimate heirs and illegitimate ones are waiting to see who gets what from the overall estate. Once C&G's last will and testament is known, the squabble can begin.

Anyone unaware that rolling settlement starts on Monday must be blind, deaf and dumb. Advent calenders pop out of every financial newspaper. But rather less has been heard about margin trading - buying shares on borrowed money, with only a small down-pay-

There are two reasons why it becomes an issue automatically after the death of the old account system, which netted out all deals within a two week account period.

First, the average period between dealing and paying tors may find it hard to settle on time.

Second. account traders speculators who buy and sell within the account - will have to find a new game. Under the old system, they hoped to make money without putting any up in the first place.

The obvious alternativea under the new system are either switching to futures and options, or trading equities on margin. But both types of investment are relatively highrisk because they involve "gearing" - evocatively known as "leverage" in the US, where both are common.

You put up only a small per centage of the value of the deal initially (the margin), and hope to make a profit before the date on which full settlement

Like someone buying a house with a mortgage, you benefit disproportionately if the price rises and suffer dis-proportionately if it falls. British investors wanting to

trade on margin may find the present situation confusing, however. For, although the Securities and Futures Authority has rules designed to protect investors, there are no rules telling brokers how to handle the commercial side of margin trading.

For example: what interest rate to charge; what percentage margin to demand; what securities to accept as collateral; how to value the colleteral for margin purposes; and what to do if a client breaches margin requirements.

Some brokers are avoiding the problem by suggesting that account traders simply roll over a deal from one settlement day to the next. The offcial line seems to be that a margin of around 70 per cent would normally be about right One of the more aggressive brokers is offering minimum margins of 30 per cent already.

Others are still dithering at the

starting post. A hit of a good British bungle, what?

If you want a good example of gearing at work, look no further than the coffee market. The price has moved from under \$1,200 a tonne to more than \$4,000 this year. Most of the rise has occurred since late May because frosts have damaged the crop in Brazil

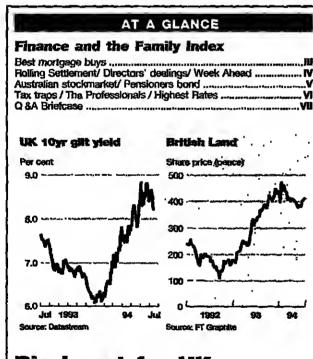
This is the kind of market about which commodity speculators dream. In their dreams they are, of course, always on the right side of the trade. In real life, though, not everyone can be on the right side of s trade. Here is what might have happened to a couple of specu-

First, the background. The price reached a temporary peak of \$2,430 a toune on May 24, fell back to \$1,875 on May 27 just three days later - and then began the long climb up to \$4,000.

On May 24, the value of one futures contract (five tonnes) would have been \$12,150. A typical margin would have been around \$3,500, roughly 20 per

Anyone who sold on May 24 and closed out the contract on May 27 would have made a profit of \$2.775. So, within four days, he would have made a profit of more than 100 per cent on his actual investment. Anyone who had bought at the top and sold at the bottom would have made a similar loss over the same few days.

Now assume both our speculators had stuck with their original investment until this week. The bull would have made a profit of \$8,275, the bear a similar loss. Gearing is



### Big boost for UK government bonds

In spite of a slight set-back in late tracing yesterday, UK government bonds made strong gains this week as a more positive mood returned to European government bond markets The yield on the 10-year benchmark gift fell back by about 1/2 percentage point as prices rose by about three points. During the week, the weakness of the US dollar encouraged some investors to shift out of US Treasuries into European bonds. Gilts were also bolstered by data pointing to steady UK economic growth with low inflation.

The Bank of England's successful sale of three new tranches of ing gilts helped market confidence. Its next auction, on July existing girls inspect mainter common to the transition of the second section of the sec

### Soros sells British Land stake

George Soros, the International financier, has sold the majority of his Quantum Fund stake in British Land for a 35 per cent profit, and has also disposed of the fund's shares in Berkeley Group, the Surrey-based housebuilder. Soros's entry Into UK property was the trigger to last year's dramatic surge in property shares.

### C&G will not appeal

Cheltenham & Gloucester building society has decided not to appeal against the recent High Court veto of the original plan to distribute the £1.8bn offared by Lloyds bank, which wants to take over the society. It is confident that it can make an alternative proposal which will conform with legal restrictions on which C&G customers can receive sweeteners. This plan is expected in mid-August.

### Goodbye to the account system

Britain's idiosyncratic system of two-week account periods for dealing in equity shares ended yesterday. Under the account system all transactions within the account period were aggregated and clients sattled the net amount due on settlement or account day. As from Monday Rolling Settlement takes over.

### Smaller companies sluggish

Smaller company shares responded sluggishly to the general recovery in the UK stockmarket. The Hoare Govett Smaller Companies Index (capital gains version) was 0.6 per cent higher at 1616.38 over the week ending July 14. Over the same period the FT-SE-A All Share Index has risen 2.8 per cent. But smaller companies have still held up better over the year to date.

### **Next week's family and finance**

The move to Rolling Settlement has made brokers' charges even more complex. We explain who is doing what.

### Wall Street

# A month is a long time in soccer

all it the World Cup Effect. Since the week the tournament kicked off on US turf (real, not artificial) US shares have been on the slide. Now, with the end finally in sight, stock prices have clawed their back to almost exactly their level of four weeks ago. For stock market watchers, as for soccer fans, a month can seem like a very long time.

The Soccer Cycle, to be fair. has coincided neatly with recent swings in sentiment in the US over the outlook for interest rates. The fortunes of their football teams may have influenced some Latin American countries' financial markets, but the sport has not yet put down real market-moving roots in the US.

A month ago, the dollar's plunge sparked a bond market retreat amid concern that the Federal Reserve would raise interest rates to defend the currency. The dollar may not have bounced back - it touched a new low against the Japanese yen at the start of this week - but the relative stability in currency markets of recent days and some prom-

are too low. But when Greg

**Hutchings** bemoans Tomkins

The acquisitive conglomer-

ate's record over the past ten

years has been exceptional.

outperforming the pack in both

duced average annual growth

in earnings per share of 36 per

cent, compared with the UK

average of just 6 per cent. Divi-

dends have grown three times

as fast. Yet its share rating is

well below the market average.

of changing investor fashions. In the buccaneering 1980s the

dealmakers were king and

investors were unconcerned if

all the acquisitions resulted in

groups with widely disparate

interests. But these days inves-

tors are keener on companies

with a clear business focus and

many congiomerates have been

slimming to appeal to the new

than some of its peers - con-

centrating largely on low tech-

Tomkins is more focused

In part Tomkins is a victim

Since 1984 Tomkins has pro-

good times and bad.

modest rating he has a point.

ost quoted com-

tives believe

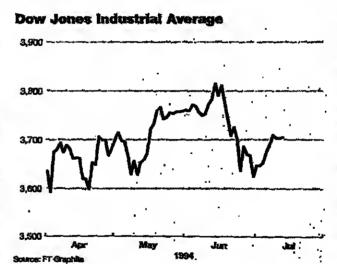
their share prices

ising economic data have set the stage for a modest rally for both stocks and bonds. The good news for the financial markets trickled out dur-

ing the week. On Tuesday, June's producer price index turned out to be better than expected: the index remained fist during the month, compared with a general belief that it would rise modestly (higher producer prices feed through eventually into higher consumer prices, which leads to inflation and higher interest rates). On Wednesday, the producer

price index for June matched expectations with s small rise while June's retail sales and the latest week's jobless figures, released on Thursday, were generally seen as posi-

With this data out of the way, there is little on the immediate horizon to trouble the markets (the Federal Reserve's interest rate policymaking committee next meets in mid-August, but nothing seen in recent days is likely to force it to shift its stance). And that has allowed US traders and investors to focus instead on how the US corpo-



rate sector is faring, rather the higger macro-economic pic-

Two corporate events have set the tone. First, something to set Wall Street's pulse racing: the promise of multibillion dollar takeover battle (or perhaps even two.) When CBS, the television network, agreed a takeover of bome shopping cable TV group QVC 10 days ago, both companies' shares jumped. Last week, a rival bidder cable television bidder – Comcast – stepped in

The result: both QVC and CBS shares jumped again. There could be other bidders for QVC. Also, CBS's attempt at a deal had revealed its own weaknesses (both in its lack of cable TV interests and in management,) exposing it as another potential takeover

candidate. CBS ahares were trading at \$312 at midday yesterday, up from \$300 earlier in the week, while QVC stood at \$44

Meanwhile, the reshaping of the healthcare industry continued apace. Eli Lilly, the drugs company, agreed to pay \$4bu for distribution company PCS, while Kendall International, a medical supplies company, is to be acquired by manufacturing group Tyco International The second big moment of

the week was the release of second-quarter earnings from Chrysler. Coming at the very beginning of the latest US earnings season, the car com-pany's record post-tax profits of nearly \$1bn (40 per cent up on a year before) appeared to confirm analysts' confident predictions for acrossthe-board carnings advances. Chrysler's shares jumped \$1% on the news, to \$51%, though by yesterday they had retreated to \$49% on profittaking. Further strong earnings reports in the coming

days could do much to calm Wall Street's frayed nerves of Will it set the stage, finally,



night ago.
All the same conditions are in place for shares to stage some impressive gains as a month ago; no immediate fears over interest rates, a rebound in corporate earnings, and the prospect of more big takeovers in the telecoms, media, finance and healthcare sectors. Only, as tha Soccer Cycle has proved, it does not always work out that way.

points above its low of a fort-

Richard Waters

3702.99 - 06.15 3702.66 - 00.33 3704.28 + 01.62 3739.25 + 34.97

# Why the City is off its food

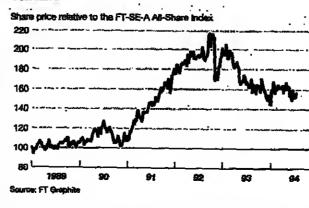
**Bottom Line** 

nology manufacturing - and has a better recent record than the likes of Hanson, BTR and Williams. Yet its shares trade at a discount even to them. The problem is simply that

the City has gone off its food. Britain's supermarkets are waging a bitter price war and sharing the pain with their suppliers. Food manufacturers have seen their margins squeezed and watched their share prices sag as a result.

Tomkins walked straight into the war zone 18 months ago when it paid £990m for Ranks Hovis McDougall. Suddenly, balf Tomkins' sales were in food and it was right in the middle of the bloodiest battlefield of all - bread. The City took fright. RHM,

which bad been a poor performer for years, was seen as a handful for anyone at the best of times. But for a company with no experience of the food



price war the deal was regarded as extremely risky. Even more alarming, Tomkins was paying a price that Hanemployer, considered over the

Mr Hotchings argued that had made a success of both.

industry in the middle of s Tomkins' expertise was in managing industrial businesses not in making particular products. After all, it had Hutchings' former it acquired Murray Ohio but

known nothing about handguns when it bought Smith & Wesson or lawnmowers when

But the City was not con-vinced and since the RHM deal was first announced Tomkins' shares have lagged the market by over a quarter. Yet Tomkins has so far deliv-

ered everything it promised. In spite of the bread price war and a disappointing performance from the Mr Kipling and Cadburys cake operation, the RHM businesses contributed profits of £102.5m in the year to April. Of the healthy 14 per cent increase in group earnings per share more than 4 points were thanks to the RHM acquisition. And with the rationalisation programme only half completed there should be more to come.

Tomkins' existing businesses also performed well helped by the buoyant US economy, which provides half group profits, and tentative recovery in the UK, which accounts for most of the rest.

With last week's figures Tomkins provided reassurance on another of the City's wor-ries the impact of the fall in the dollar. The company revealed that It has hedged this year's dollar profits at a rate of \$1.48, almost 7 per cent better than last year.

It also displayed a healthy balance sheet with net cash of £156m and total shareholders' funds of almost £900m. While its poor share rating precludes further acquisitions financed by share issues that balance sheet could support a large deal funded by debt, though not on the scale of RHM.

Meanwhile analysts believe profits could rise from \$257m to £300m this year putting the shares at 324p on only 12% times earnings, Tomkins argues that the pricing pressure in food is no worse than it has faced for many years in its other businesses. But it now looks unlikely that the shares will be re-rated in the short-term until conditions start to improve. When that happens the shares will have a lot of ground to make up.

David Wighton





### FINANCE AND THE FAMILY

# Cash in on mortgages Sullibly Lenders are putting out some tasty bait, says Scheherazade Daneshkhu Best Mortgage Buys Best Mortgage Buys Reden Comp.

eople often move house in spring, but recent huilding society lending figures showed even fewer did so this year than last. As a result. societies are waving wads of cash in front of potential customers. Depending on your circumstances, these could make it worth switching to another lender - even if you do not intend to move house, ■ Fixed rates

The table shows a selection by mortgage broker John Charcol of the hetter deals on the market. Try to avoid compulsory huildings or contents insurance unless you cannot get a better deal elsewhere. All fixed rates carry a fee along with early redemption penalties; the latter make the cost of switching to another lender very high and deter early capital repayments. Against these disadvan-tages, you can halance the security of knowing how much payments will be over a given

■ Variable rate: discount The lender gives you a fixed discount on its standard variable rate for a limited period. The largest discounts are for shorter periods.

Discounts are very attractive, so what is the catch? Most lenders will charge early redemption penalties which exceed the discount period, so make sure that their standard variable rate is competitive.

Charcol has just launched a mortgage combining fixed and discount rates. Interest is fixed at 6.75 per cent until January 1 1996, followed by a one percentage point discount on Britannia's variable rate until January 1 2000. The fee is £299.

■ Variable; cash-back
If you need cash, lenders are
offering it. But the Inland Revenue is still deciding whether to tax such payments. In general, you shoul: be able to save more with a discounted rate than a cash-hack but it depends on the amount being borrowed and the cash-back

Both discounts and cashbacks are so attractive that it is worth considering re-mortgaging to get one or the other. Ask the lender how much it would charge you to re-more

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11 25 1

	Best Mortga	ge Buys				
Lender	Interest rate/(APR)	Unt9	Max advance	Minimum Fee	Redem	Comp.
FIXED RATES						
Yorkshire bs	1.90% (2.1%)	1/5/95	95%	\$250	3mnths	Yes
Hinckley & Rugby	4.74% (4.9%)	1/5/96	70%	2100	3700	None
Northern Flock	4.99% (5.2%)	1/3/96	95%	6200	3mths	Yes
Altence & Laicester	6.99% (7.9%)	3 years	80%	£300 max	4mths	None
Alliance & Leicester	8.49% (8.5%)	5 years	80%	£300 max	Grittis	None
TSB	8.88% (9.5%)	31/3/2004	75%	£250	10mths	None
Capital Home Loane	8.49% (8.2%)	1/3/99	95%	2295	Brnths	None
CAPPED RATES						
Bristol & West CMS*	6.49% (6.8%)	2 year	90%	\$275	Smths	None
Royal Bank of Scotland	8.99% (9.4%)	7/5/99	95%	\$295	Smiths	None
VARIABLE/DISCOUNT RATES						
Londer	Interest rate/(APR)	Max			Discount until	Comp
Northern Rock	7.74% (7.8%)	90%	5.25	% to 1/8/9	-2.49%	Yes
Bank of Ireland	7.60% (7.9%)	75%		196 for 1 yr		None
National & Provincial	7.64% (8.1%)	95%		196 for 1 yr		Yes
Leeds	7.74% (7.9%)	80%	1.00	% to 1/1/98	8.74%	None
FIRST TIME BUYERS RATES						
ander	Interest rate/(APR)	Mex edvance			Discount	Comp.
Monmouthshire	7.74% (8.2)	95%		% for 5mm		Yes
Northern Rock	7.74% (7.8)	90%		% to 1/8/98		Yes
Greenwich	7.64% (3.2)	95%	4.6	9% lor 1 y		None
Yorkshire	1.9% (2.1)	95%		Fixed to	1/5/95	Yes

gage to see if the savings are significant. If you have a fixed rate, though, the early redemp-tion penalties make any savings unlikely.

Northern Rock Capital Home Loans

Pep mortgages
One of the most flexible and
tax-efficient ways of saving to repay the capital on an interest-only mortgage is through a personal equity plan, which is free of income and capital gains tax. Some lenders are reluctant to grant a Pep mortgage, but another way into one is through a Pep provider. Some unit trust groups, including Fidelity and Prolific, bave ade arrangements with lend-

ers so that funds are available if you select one of their Peps. Consider investment performance and charges when you make your choice.

Source: John Charcol. "Capped rate of 5.75% (6% APR) available in branches but bic ins. compulsory; fee £300.

Large borrowers High earners may want more flexible borrowing facilities than available on the high street. Merchant bank Kleinwort Benson has a mortgage management account which offers a draw-down facility charged at the mortgage rate, and a cheque book for minimum withdrawals of £1,000. Interest on money withdrawn by cheque is charged at 1 percentage point above the

Lender	Amount %	Max (E)
Bank of Ireland	3.5	7,350
Halifax	3.75	6,000
Chelt & Gioucs	3.0	6,000
Newcastle	5.0	5,000
Natri & Prov	2.0	5,000
	Source: Joi	n Charcol

Fixed to 1/3/96 Fixed to 1/3/99

bank's variable mortgage rate of 7.25 per cent. The cash borrowed, together with the mortgage amount, must not exceed 80 per cent of the value of the home and the minimum salary



# BES hits a snag

he dangers of prop-erty investment are highlighted this week in a letter received by 3.900 investors in Johnson Fry's SCAT (Smaller Company Assured Tenancyl business expansion scheme.

The BES gave investors gen erous tax breaks for investmeut in private rented accommodation. Johnson Fry was the largest BES sponsor, and Its SCAT scheme carried the added attraction of insurance, provided by Eagle Star, against a fall in the value of the prop

The investors went into the scheme in spring 1989 - just before the property market col-lapsed. Johnson Fry estimates that the value of the fund's property has fallen by about 25 per cent. But lovestors were covered only for a drop in the property's cost and not for their full investment, of which 10 per cent went into expenses.

Many investors now are keen to take the insurance and get out, but they cannot do so until the properties are all sold. The prospectus says disposals can take place between years four and six (1993-1995) hut the insurance policy document, which the investors, would not have seen, gives March 1996 as the deadline.

investors had to borrow their tax relief of up to 40 per cent Interest on the loans, provided by the Bank of Scotland has heen at 2 percentage points above base rates - 13 per cent at the time - hut subject to an

8.5 per cent minimum. Those in a burry to get out will soon be offered an escape route to cut their losses with a limited offer from Eagle Star of about 84p for their shares, leaving them to make up the shortfall on the loan. Others can choose to hang on if Johnson Fry agrees some sort of claim settlement with Eagle Star on a basis which will allow any future rise in property prices to benefit investors.

### Fixed-rate loans yield to cash-back incentives

hree months ago fixed-rate loans accounted for 80 per cent of new mortgage husiness at the Halifax building society, which has 19 per cent of the UK mortgage mar-ket. Today, the figure is around 5 per cent. While the change is extraordinary, it is not hard to explain, writes

Long-term, fixed-rate mortgages virtually sold them-

selves earlier this year because borrowers were paying less for a fixed-rate loan over three or five years than they were for a standard variable rate. But upheavals in the money markets have reversed this situation.

The borrower who wants a five-year fixed rate now has to pay a premium of around 1.5 percentage points over the variable mortgage rate. As a result long-term, fixed-rate mortgages have all but van-

Instead, cash-hack incentives show every sign of vation of 1994. Dick Spelman, Halifax general manager, says: "Cash-backs are marginally

more attractive to lenders than discounts. They are still a good deal for the customer." Cash incentives - which are calculated as a percentage of the mortgage loan - were rela-tively modest, initially. But huilding societies are adept at playing commercial leapfrog and it is now possible to get cash-backs of over £7,000.

More generally, a welcome development is that mortgage lenders are moving away from tying borrowers to an endowment policy or to a personal pension plan and are allowing them an unrestricted choice of repayment vehicle. Similarly, fewer lenders now make their own buildings and contents insurance a non-negotiable

ers who need to move but remain caught in the negative equity trap. The Bank of Scot-land and Royal Bank of Scotland provide them and others such as the Household Mortgage Corporation and Skipton building society, have 100 per cent schemes specifically for negative equity victims.

part of a mortgage offer,

It is still possible to get 100 per cent advances. These can

prove a lifeline for house-own-

Where does the smart money go when stocks are high and interest rates are low?

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### FINANCE AND THE FAMILY

# Investors face hefty bills if they pay late for shares

Norma Cohen previews rolling settlement, the new dealing system which starts on Monday

ust over a year ago, the Bank of England announced the end of the two- and three-week account settlement period for share deals. From Monday, private investors will have to come to terms with the brave new world of 10-day rolling set-

This means that each deal to buy or sell shares will have to be settled - either in cash or share certificates delivered -10 husiness days later. And make no mistake about it being late will cost you money. Private client stockhroker Capel-Cure Myers has taken to heart the admonition of securities regulators to spell out in plain English the additional costs investors will incur as a

result of lateness. In a pamphlet called "How to Buy and Sell Shares Under Rolling Settlement". The firm tells clients: "If your money does not reach us by the settle-

gement (0800 010333)

standing balance, together with a 220 administration charge.

Moreover. "Interest may be charged on all outstanding debit balances - for example rights, calls, fees and interest. It will be calculated on a daily basis at UK base rate plus 3 per cent. We will advise you of any change in the method of calculation."

Capel-Cure's brochure might be a model of clarity but its charges are fairly standard, as a quick telephone survay of stockbrokers found. Killick and Co also will

charge interest at 3 per cent over UK bank base rates, although there will be no administrative charges. Senior partner Paul Killick said that as long as the firm had the cheque in hand physically on settlement date, it would not charge interest, even if the cheque did not clear until a few days later, Killick noted.

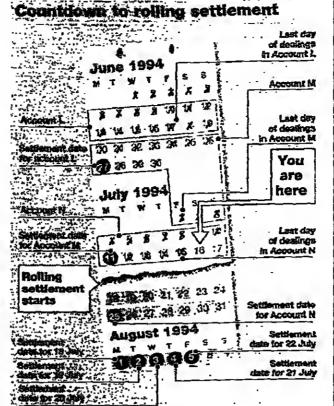
charged interest on the out-standing balance, together advertising this last" the firm is keen to encourage its clients to pay on time.

Wise Speke, a Newcastle-based broker, will charge clients either 4 per cent over UK base rates or £10, whichever is the greater. Albert E. Sharp, a Bir-mingham-based broker, will levy clients 3 per cent above the base rate charged by Bank of Scotland, where it holds clients' accounts.

Barclays Stockbrokers, meanwhile, has a different approach. "If you are late in paying, we simply debit your account," says Justin Urquhart-Stuart, the market-ing director. The interest rate will depend on the overdraft rate you negotiate with your branch manager.

The alternative for many clients, as brokers have pointed out, is to establish a nominee account. This will certainly make life easier although it is

100p 95.1p 1,000 1% n/a



Speke, for instance, will allow individual clients to negotiate the cost with the account executive. Over the past year, the firm has seen the number of its clients in nominee accounts

roughly double. At Killicks, there is no charge at present for a nomi-nee account although the firm is considering levying £1.20 for

each dividend collection exer-

At Albert E. Sharp, clients who do their own stock selection but wish to have a nominee will need to have their shares organised into a portfolio. There is a £200 annual fee for this and an additional charge equal to 0.1 per cent of

### Directors' transactions

# Body Shop's big deal

The largest transaction of the week was recorded at the Body

Shop Group. Started by Anita Roddick, and now run by her and her husband, Gordon, it has seen its share price recover 50mewhat over the past 12 months.

The couple sold 3.5m shares to fund two projects they have underwritten. One is to help research into the common cold and hay fever, the other a film.

But the Roddicks remain the largest shareholders and, even after the sale, they retain a stake of more than 25 per

☐ Field Group supplies packaging for a host of brand leaders including Cadbury, Chanel, McVities and Silk Cut.

The company came to market in July 1993 at 250p. The share price then rose but has fallen back to its present

Directors in the company all held (and still do) considerable quantities of stock when dealing began last

At that time, they undertook not to sell any of their shares until after releasing the company's first full-year results. These were announced on June 9; the shares were sold a month later.

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USIN directors SALES 400,220 3,500,000 Avesco(inc red pri)... Body Shop Intni .Mdia 60,000 City of London PR .BCon 6,000,000 **Dunton Group** 1,170 Field Group . PP&P 504,333 120,000 Moorfield Estates Northern Electric HseG Osbome & Little PURCHASES Asda Group HetG L&HI 19,150 10,000 26,000 34,000 Christie Group ... Control Technique 174 22 122 108 19 18 Court Cavendish 143,696 Courts Consulting Dunton Group .... Fleming Overseas .BCor 6,473 182,130 20,000 Gresham Telecompting. Lloyds Chemists M & G Group .... 20,000 27,000 RetG Oth MacDonald Martin Meyer Internation Orb Estates Prospect Industries Sunleigh ..... TR City of London 817.990 5.626

Value expressed in 2000s. ABetween directors. § Open offer. This list contains an actions, including the exercise of options () if 100% subsequently add over £10,000, information released by the Stock Exchange July 4-8 1994, Source: Directus Left, The Inside Trock, Edinburgh

		NEV	N CH	UT TE	NUST L	AUN	ICHE	S						
Manager (Telephone)	Sector	Farget Yield %	Flat PEP Charl	Santage Schemes Avail.		outside Annual %	PEP Other %	Miskous kest. 2	Char Inflat %	ryte leside Annual %	PEP		Obscount %	Special offer Period
Southern Africa Fund														
Save & Prosper (0800 282101)	Int Equity growth	0	No	Yes	5.5	1.5	No	1,000	Na	n/a	n/a	n/a	•	9/7/94-29/7/9
The fund will also invest in Bot	iswana and Zimbaby	we; these	are v	olatile m	arkets a	and Sa	₽ adv	rises a r	maxim	um 5 po	er cen	t holdin	g in a g	prowth portfoli
"I percentage point discount on £1,000-£	2,999; 2 paints on £3,000 or	r mons; 2 pc	ints uni	2 July 1990	i through m	ionahily a	wings s	; <b>i</b> m,						
			_					CHES			_			

III The Italian Renaissance launch has been postponed. Carnegie International, the securities firm acting as advisers to Fondigest, the Italian mutual fund company which was to have managed the trust, said that it feared shares in the trust would move to a large discount. It hopes to launch the trust, which aims to specialise in smaller companies, in the autumn.

Yes

ADVERTISEMENT

Specialising in Japanese smaller companies, to be run by manager of invesco's Japan Smaller Companies unit trust

Hame of Society	Product	Sep 21	Sizes	Me1	Bet	interest	pinimen.	Agrees and other details
Allianos & Leicester	Special Edition	7,20	7.20	-5.40	5.40 5.40	Trip Trip	Edizot.S Timel	7.00%.75%.55%.65. One which of 20% of had without year.
	Norms 90	6.00	6.00	5.30	5.18	Tily	Tiorel	£58£285.99£58
	Tessa	6.48	6.48			Appl	H	25 days petiterpopully inc. 3c
	Midas.	5.45	5.65	4.24	4.21	Tely	(level	SAN ELMISAN EGÖRGLEI ESKR İnstant komu
	Instant Access	4.58	4.54	3.37	3.37	Tely	Tierol	1205080505
Bunsley	Starley Seems	7.00	7.50	5.5	5.5	Trip	198,000	126 day milics or 30 day provide.
Birningkom Midobires . (1645) 720721	Operations (Cigle Incl. (First Class Set	7.00	639 7.80	472 525	171	ALIVE .	180,000	Instant sector piore SMK
peroj sanca. Brutteri & Biraler	Maximiser Special Aport		5.00	175	3.5	Treby Treby	5,000	instant power on pounts Therei beloved, monthly income pountside
	Maximiner Special Asset		6.00	4.50	4.51	Toby	18,000	Tierel interest monthly become available
	Manimier Special Accel	4.40	8.40	4.00	4.07	Trib	20,100	Track interest asserting former available
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### The week ahead

SmithRline Beecham reports six-month results to June 30 on Tuesday and analysts are expecting pre-tax profits for the second quarter of between £372m and £282m. But particular attention will given to the plight of Tagamet, the anti-ulcer drug; this used to be the group's biggest product but its patents in the United States

PRELIMINARY RESULTS

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INTERIM STATEMENTS

OFFERS FOR SALE, PLACINGS & INTRODUCTIONS

TAKE-OVER BIDS AND MERGERS

Abbott Mised is to raise C1.35m vio a placing of 537.679 ordinary shares & 660p. AromaScan is coming to the market via a fotation of appx C15m.

Presit for the Border is to raise C3,75m via a placing & open offer of 7,89m shares @ 52p.

Coverdate Group is to raise C3,75m via a placing & open offer of 23,82m shares @ 17%, 
European Motor Holdings is to raise £15,5m via an open offer of 15m shares @ 110p.

Ideal Hardware is to raise £16,8m via a placing of 7,47m shares.

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SCE às lo reises (2.5m vis a 5 - 4 rights issue © 8p. Excelleur Group is to reise (2.5m vis a 1 - 4 rights issue © 48p.

John Washington is to raise £42m via a 2 - 7 rights lesue @ 190p.

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expired on May 17. D Wellcome, another pharmaceuticals group, reports fourmonth figures to June 30 on Thursday. The company is changing its year-end from

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August to December so analysts have no comparable figure for last year, But sales of Zovirax, Wellcome's biggest product, have been disappointing and analysts will also be looking for signs that the sales decline in Retrovir, the HIV and Aids treatment, could be

tional, the environmental services group, reports secondquarter figures on Monday. These are expected to show continued growth despite the impact of the recession in con-

packaging and office supplies

group, is expected to report a continued recovery in profits when it announces annual fig-ures on Wednesday. Although first-half profits were down, analysts are forecasting a fullyear, pre-tax figure up from £27.1m to between £33m and £35m. But earnings per share will show little change, reflecting the £90m issue last

tinental Europe. Analysts are

looking for a rise in pre-tax

profits from £37m in the same period last year to between

£40m and £44m. There should

be a good contribution from Wessex Waste Management, a

joint venture with Wessex

David S. Smith, the paper,

☐ First Technology report full-year results to April or Thursday. The group, which designs and makes crash dan mies and safety sensors for th car industry, is expected t report profits of around fin year to pay for office products up from £2.34m.

David S. Smith Hold!

FT-SE-A All-Share Index

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Monthly Unit Trust Guide for Direct Investors nt advantament hat have etjirrent fire die perspesa of Sorben 21 plus financial Sorben felt by a petro stelle Stelle financial sente een producet die sell en plus die petron van een gebeurd begin een die gebeurd bestelle

Care S. Sty

# Australia's star rises again

They used to call it the "lucky country" before recession struck and unemployment soared. Now, though, recovery seems well

ever mind Austra-lis's endless beaches and cuddly koalas. With a 5 per cent growth rate, low inflation, and a stable political climate interest is turning towards Australia as a good investment prospect. So isn't the country equally appealing in stock market terms? And shouldn't private investors, looking to diversify funds overseas, take

The answer probably is yes but only with some blg provi-sos. The first of these relates directly to the economic situation. While the numbers look good at present, there is much debate within Australia about the quality and sustainability of the recovery.

This argument centres mainly on whether the nation is headed for a repeat of the boom and bust cycles seen in the past, or whether a decade of economic restructuring including tha continuing reduction in tariff barriers, some deregulation of the labour market, and a major effort to introduce competition into key sectors - has wrought fundamental changes.

The optimists - who include

under way. Inflation is low, the growth rate is relatively high, the political climate is stable – and prospects for overseas investors appear to be good. Nikki Tait reports from Sydney Ralph Willis, the Australian Australia SE treasurer - think it has. Government forecasts say the

economy should grow at more than 4 per cent for the next four years, the hudget deficit should reduce steadily from A\$13.6bn this year to virtually nothing by the late 1990s; and the underlying inflation rate should be pegged at around 2 per cent, at least in the immediate future.

According to this scenario, a greater export focus by Austra-lian companies should allow the nation to piggy-back on the growing economies of south-east Asia, while the successful outcome to last December's Gatt talks could boost the farm sector significantly. By the time the provisions of the Uruguay Round are implemented fully, the annual export benefit could be A\$1bn-plus. essimists paint a very

different picture. They note that the economy's strength

increases, tax rises - or both.

stems from a strong recovery in consumer demand. Business investment, hy contrast, remains weak, and actually dipped last quarter while the household savings ratio is painfully low, too. All this, they say, is potentially desta-

bilising.
They feel that if capacity

constraints are reached and investment surges all at once, balance of payments problems could emerge. These would be doubly serious because of the domestic savings shortage. The government could then be forced into interest rate

Don Mercer, head of the ANZ one of the country's leading commercial hanks - says: "My fear is that we are going to blow it again. Achieving a durable economic upturn hinges on a substantial lift in investment, exports, and in national saving."

In the short term, perhaps, this debate need not worry a prospective investor too much. Most analysts forecast strong profits growth in the financial year that ended in June, and again in 1994/95 as restructuring moves taken during tha recession augment the upturn

John Baynos, strategist for

have exposure not only to Australia but also to other

as South Africa. But the

mineral-rich countries, such

spread across continents does

not mean these are any less

volatile than a single country

fund - which means that It

Mercury's Gold & General

ector over five years to July

I (source: HSW); about 30 per cent of the portfolio is

Waverley Australasian Gold

is a fund that is targeted

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is not a good idea to have

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portfolio in these funds.

much more than 5 per cent

stockbroker McIntosh Baring, thinks listed companies could achieve an average 13.3 per cent return over the next 12 months; with inflation st such low ehh, this suggests a double-digit real return.

Mery Peacock, head of marketable securities at the AMP insurance giant, says he is looking at a 15 per cent annual growth in earnings per share for the next two years. Never-theless, the possibility of a "blow-out" scenario down the track does suggest that any investment funds committed to the Australian market should not be left unattended.

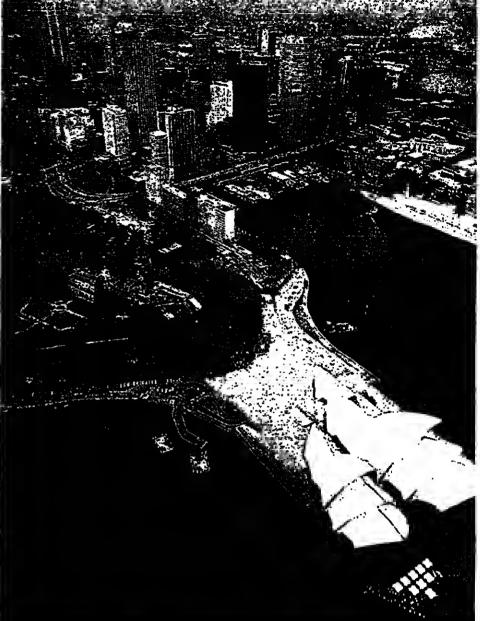
A second, more technical, point is that the Australian stock market has enjoyed a very strong run already. This began late in 1992 and continued until early this year when the US Federal Reserve ased interest rates. It is true that the Australian

All-Ordinaries index has fallen by about 14 per cent since then. But the long period of unbroken progress means that the historic price/earnings ratio on the index has climbed to around 17-18 times. This looks wildly out of line with the 1970s and 1980s when the market p/e rarely exceeded 10-11 times, and was sometimes as little as 6-7.

Yet, as statisticians at the Australian Stock Exchange point out, comparisons with the 1960s (a low-inflation era) are much more favourable. Then, the market ple stood at around 15-16 times earnings. In short, if you want to believe the Australian market offers value, you probably need also to believe that an era of modest price increases is here to

stay. For those investors undeterred by such caveats, some fund managers do think the market's post-Fehruary weakness presents a good buying opportunity. Offshore investors, moreover, may have the added opportunity of a currency play. Australia remains weighted heavily towards the resources sector and tends to see a close relationship between commodity prices and its currency, with a rise in the former usually boosting the

Although commodity prices have moved off their recent lows - and hava surged in



recent days - most forecasters see further improvements ahead as more economies pull out of recession. "I know some investors are playing the Australian market largely because of the foreign exchange factor," says one fund manager.

So, as long as you are per-suaded that this adds up to a plausible case, where should you shop? A number of fund managers and analysts say they see more value in the industrial sectors than tha resources stocks, simply

because the climb so far has been most marked in the latter area. (Many major resource companies, like Western Min-ing Corporation, ssw their share prices double between late 1992 and early 1994).

Baynos likes Australia's media sector because of such factors as its exposure to tha surging domestic economy and the potential for increased advertising. He also likes the engineering sector and sees some selective value left

Peacock tends to concur on this point. "Resource stocks run hard when they run, and it would he a hrave man wbo says that they won't run further," he says. But John Murray, bead of equities at Perpetual Funds Management, thinks that "a fair hit of the resources game is over". He reckons that some of larger industrial conglomerates have been overlooked in recent months and recommends the likes of BTR Nylex and Pacific Dunlop, both of which are listed in London.

Australia is forecast by broker Barclays de Zoete Wedd to produce one of the highest equity returns of any geographical area over the next 12 months. BZW expects returns of more than 22 per cent in local currency terms

over the period. Australian dollar recovering from being one of the cheanest currencies around relative to the pound - thus, the return equates to about 38 per cent in sterling terms. This return projection is bettered only by Canada. BZW believes tha industrial

sector is particularly ttractive and estimates that it is 15 per cent below

For those wanting exposure to Australia, the choice among UK single country funds is limited. There are only three unit trusts: Barclays Unicorn Australia, M&G Australasian and General, and NM Australia. Last December, NM also

### For good returns, dive Down Under

Australian Companies investment trust; this is trading at a premium to its net asset value, reflecting a high degree of demand.

NM was the UK arm of the National Mutual Life Association of Australasia until it was bought by Friends Provident at the end of last year. NM Australian is the largest of the three trusts, with about £36m unde management, and is top of the Australasian sector over five, seven and 10 years to July 1. But it has slipped more recently to second position over three years according to HSW (offer to bld, net income re-invested). Growth over 10 years is 455 per cent and 85 per cent over five years. It is the only one of the

in the Unit Trust Analysis Gride produced by Fund Research. This measures the performance of funds in terms of consistency and fund management experience, as well as quantitatively. Unit Trust Analysis selects consistently high-performing funds for the guide.

The NM unit trust contains 40 to 50 stocks, with the top 20 holdings accounting for about 75 to 80 per cent of the investment. The fund nager, Victor de Lore also manages the NM Gold fund and the NM Smaller Australian Companies trust. as well as NM's Australian retail trusts.

exposure to the Australian market is to invest in a commodities fund, which will

more regionally; but while it would have turned £100 invested two years ago into £315 today, the same amount invested seven years ago

> Scheherazade Daneshkhu

# Where pensioners can find the most for their money

Barbara Ellis examines the investment options for those over 65

ore than 160,000 people have put £1.39hn into National Savings guaranteed income bonds for pensioners since the scheme's

launch in January. Holders over 65 get s 7 per cent annual return, paid gross (hut taxable) each month over five years, on deposits hetween £500 and £20,000. But those who cash in before the end of the five years must give 60 days' notice and they will lose 60 days' interest as a conse-

is this the best that pension-

ers can do?

Building societies The table shows how the bond compares with some of the toprated, five-year building society bonds.

Escalator bonds, with interest rates rising each year, usually impose a £2,000 minimum if Interest is to be paid monthly hut have a higher upper limit than the pensioners' bonds - £500,000 or, occasionally, £1m. Penalties for early redemption can be steep, however. The Halifax's escalator bond has interest rates stepped from 6.95 to 10.95 per cent, averaging 8.49 per cent

over the five years. Withdrawals are allowed only after two years, when the penalty is six days' loss of interest for each full month left. But there is a maximum penalty of £326 on a £10,000 investment.

After tax, the NS bond's 7 per cent is worth 5.25 per cent to a 25 per cent taxpayer or 4.2 per cent to those on higherrate tax. This compares with the top-paying escalator bond
- at present, from the Woolwich building society - at 6.42 and 5.14 per cent net.

■ Guaranteed income bonds These bonds are issued by

**Battle of the Bonds** Total inc Max (monthly) penalty Bond NS Pensioners £3,500 £115

**BS** Escalators Alliance & Leics

insurance companies and pay out income at an agreed rate either annually or monthly, over terms ranging from one to

five years - on a minimum investment of (usually) £5,000. Chase de Vere's Moneyline this week quoted five-year Gibs paying monthly income at rates ranging from 6.54 per cent on £5,000 to 7.14 per cent on £50,000.

The rates are better than the National Savings pensioners'

in guaranteed income bonds before the full term can expect to lose up to around 4 per cent of the initial investment as a

Rates are quoted net of 25 £3,125 £407 £4,245 £328 £3,975 £775 £4,285 £272 per cent tax, which cannot be reclaimed by non-taxpayers. Higher-rate taxpayers face an additional 15 per cent to bring their rate up to 40 per cent, but this is based only on the net amount and not on grossed-up figure, as with building society interest paid

penalty.

effectively, deferred: investors can withdraw the equivalent of 5 per cent of the initial investment each year "tax free" but this is adjusted at the end of

Mark Bolland, of fee-based financial adviser Chamberlain de Broe, says that this makes the bonds thoroughly tax-efficient for those expecting to drop into a lower tax hracket by then.

Gilts, or government fixed-in-terest securities, deliver a specific return if held to maturity and pay income twice a year. But if you want to pull out hefore they reach maturity, you could well make a capital

Some index-linked gilts will pay a better return than the National Savings pensioners' bond. Martin Riley, of stockbroker Henderson Crosthwaite, picks out two:

1 21/4 per cent 2001s at a market price of £161%, against the indexed value of £180.9, implying a real redemption yield over inflation at 3.2 per cent to a 25 per cent taxpayer and 2.8 per cent to a 40 per cent tax-

□ 2 per cent 2006s at £167 against an indexed value of £208.8, implying real redemption yields of 3.3 per cent and 3.0 per cent to 25 and 40 per cent taxpayers respectively that is, 5.9 and 5.6 net at June's inflation rate of 2.6 per cent. A conventional (non indexlinked) gilt, Treasury 6%

1995-1998 priced at £96, is yielding 6.24 per cent or 5.21 per cent, depending on the tax rate, but there is no inflationproofing ■ See Highest Rates table,

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### FINANCE AND THE FAMILY

ax returns are flowing into the Inland Revenue, most for the 1993/94 tax year. But since the Revenue admits it makes mistakes, you should always check the contents of the brown envelope.

You can easily get four separate assessments for one year's income: self-employed earnings, employed earnings, untaxed income and tax income - not to mantion capital gains. While each assessment follows the same logical outline, here are some points to watch for.

Normally, this presents no problems for Schedule E (pay as you earn) taxpayers as employers pro-vide them with details of salary and benefits. But all other sources should be checked carefully. Allowances

Often, these are wrong. Ask yourself the following questions:

1. Does your assessment include your personal allowance (£3,445)? 2. If you are married, either you or your spouse should benefit from

# Traps for incautious taxpayers

The Revenue can make mistakes and you should always check its figures, says Andrew Radice

(MCA). Does one of you have it? For 1993/94, it is £1,720 for those under 65. £2,465 where the elder spouse is under 75, and £2,505 where the elder

spouse is 75 or over. 3. If you are over 65, you have a higher personal allowance (aven higher if you are 75 or more) pro-vided that your total income is £14,200 or less. Is this shown on

4. Did you pay personal pension contributions or additional voluntary contributions (AVCs) in the tax year? If you are self-employed, you should get relief in the allowances section of your assessment. If you are an employee, you will have had basic-rate tax relief when you paid contributions, so you will be due

the married couple's allowance further relief only if you are a 40 for 1993/94, so an assessment showper cent taxpayer.

If you are self-employed, half of your class 4 national insurance con-tribution (NIC) - which is calculated separately at the bottom of the page - is given as an allowance. But there can be errors. There is no Class 4 NIC on profits below £6,340

with accompanying notes from

Some, particularly on the Schedule E (Paye) assessments, are extremely helpful. Others may

ing a lower limit of nil is wrong. Even if the line "Amount chargeable to tax" is correct, you need to check that the tax rates are right For 1993/94, the first £3.500 is charged at 20 per cent, the next

£21,200 at 25 per cent, and 40 per cent thereafter.

If you don't understand, then ask

tants, but it makes sense to

study your own tax assessment.

And remember:

dends. There is no more to pay if you do not fall into the 40 per cent band, but there are complications if your dividend income straddles the 25 and 40 per cent bands. Your capital gains are treated as the top slice

of your income. The bottom box on the assess-

Many people employ account it. They are usually helpful. # If you still do not understand, take professional advice.

# If you do not understand any-M You only have 30 days to thing in your assessment, ask appeal against an asses your inspector of taxes to explain . do not waste time.

The fun starts if you have divi- ment, "Allocation of allowance and rates of tax" can be confusing. You, the taxpayer, have the right to choose the way in which you set your personal allowances against your income. It will usually be to your advan-

tage to set them off against the income which is taxed earliest. If you are an employee, the Revenue normally will do this for your through the Paye system. But in order not to raise assessments for trifling sums, the Revenue usually will restrict your allowances instead.

If, say, you are a married man with a salary of £40,000 in 1993/94, taxed interest of £1,500 (net), untaxed income of £150, and a deed of covenant in favour of your parish church for £100 a year, your allowances total £5,165.

The Revenue probably will not assess the £150 but, instead, will restrict the allowance on your Schedule E assessment to £5,015. This will show up both in the "Allowances etc" section and the "Allocation" section. Cift aid

You can make donations to charities by deed of covenant or under the Gift Aid scheme; these are allowable against your higher-rate tax bill. But relief for a charitable deed of covenant is slightly complicated. You make your gift net of basic rate of tax of 25 per cent. For tax purposes you have paid £133, from which you have deducted £33 tax. If you pay higher-rate tax, you get relief for your donation by having your 25 per cent band increased by £133. So, your basic-rate band of

£21,200 will be increased to £21,333.

The effect of this is that you will pay tax at 25 per cent on £133 of your income which otherwise would have been taxed at 40 per cent.

### The Professionals

the Inland Revenue.

# A business built on benchmarks

Seeing how the experts look after their clients' money gives an insight into managing your own better. That's the theory behind Joanna Slaughter's series on private client investment managers. Today: Kleinwort Benson

Investment Management, is not one for false modesty. "We have one of the most disciplined approaches to asset allocation for private clients that there is," he claims.

That approach has been refined and rationalised recently. In January, KBIM produced three benchmark portfolios for private clients, adjusting the weightings to reflect the needs of those seeking income, capital growth, or a balance of the two.

The benchmarks were built around certain assumptions. says KBIM director Andrew Gregory, These are:

■ That the minimum requirement for most private clients is maintaining their assets in real That equities will perform

better than bonds in the long ■ That the risk of a portfolio

lastair Begg, chief should be spread both geo-investment officer graphically and industrially. Begg adds: "The benchmarks are the rocks to which we hold fast. We make our decisions

around them. Take the benchmark portfolio for a "balanced" private client. It has 15 per cent in indexlinked gilts, 10 per cent in conventional gilts, 45 per cent in UK equities and 30 per cent in overseas equities, with the international exposure weighted equally between Europe, Japan, the Far East and America.

Yet, KBIM's present market weightings for a balanced port folio have far less money invested in bonds (just over 7 per cent), a 60 per cent exposure to UK equities, and a smaller exposure to Japan.

The KRIM policy committee bas regular global strategy meetings. The last policy decision it took was to sell some of its Japanese investments and place them into the Far East. Investment managers: factfile 4

Kleinwort Benson (Kleinwort Benson Investment Management) Established: 1792

Regulator: #/FIO: Bank of England Number of offices in UK: Two

Hambur of offices worldwide: 19 (group); 9 (investment menaged Funds under management: \$14bn (\$2.6bn private clients)

Number of tilk private clients: 3,300

Number of expetrists/foreign national private clients: 700

Minimum juriestinent for private clients: £200,000 Current asset allocation for private ellents: Balanced portfolio, UK equities, 50.54%; overseas equilies,

32:2%, cash and glis, 7.2% Average annual portfolio turnover: 25-30%

Feet: 0.9% on first £1m; 0.5% on next £2m; 0.25% thereafter; minimum £1,500 pe. Fees are offset by commissions.

Such a policy shift is reflected within 72 hours in the portfolios of discretionary clients and the 10 per cent of clients who are non-discretionary are alerted, too. Begg says this cannot be done in 24 hours because each client portfolio has to be studied to see if a capital gains tax liability will

be triggered. For the same reason, there is a similar time frame when changes are made to KBIM's list of approved

The list, based on recommendations by the firm's 12-member research group, features 50 to 60 global shares and 25 to 30 in the UK. Interpreting it on

behalf of clients is the task of the 25 portfolio managers. There is also a black-list of shares; this includes companies with opaque accounts. Begg says: "We never hold the

shares if we can't work out

what is going on in the company because we can't Although KBIM sometimes invests directly overseas on behalf of the very wealthy recently, it bought Philippines Long Distance Telephone for private clients - Gregory says

first. If you want to invest in

portfolio managers "would not make that kind of investment without putting in a basic fund

When a market outperforms by a certain amount, the managers are forced sellers; when

emerging markets, or someit underperforms, they are forced buyers. Begg says the strategy is unique to Klein. where like Japan, the best way to do it is through a collective wort's emerging market funds and that the diversity reduces KBIM is an enthusiast for

emerging markets and uses its KBIM's asset allocation and own offshore fund or investment trust to give private clistock-picking disciplines do not ents exposure to this sector. mean that each private client is dealt the same hand of cards, Begg says: "You can't put people into boxes, and Instead of investing according to an index, the firm weights each of the 24 emerging marthere is no answer that is kets equally, on the ground likely to be right for more than one client. Where I think the that there is little or no correlation between the performance of tha individual marvalue is really added is by portfolio managers who have been here for a long time, who have

into a portfolio." He adds: "Death is our greatest source of client loss, by quite a long

and translate what they say

way."
Where appropriate, KBIM's portfolio managers use deriva-tives such as futures and options. Gregory believes derivatives will become an increasingly acceptable way of managing portfolios although he concedes that, as yet, "it is not something that a number of clients are very comfortable

Although there is no hard rule about the acceptable size of portfolios, the minimum annual management fee of £1,500 largely dictates the level. Clients with less than £200,000 will be steered towards the firm's unit and investment trust service.

Unlike many competitors KBIM offsets fees against the commission generated during the charging period. No fee is payable on holdings of Kleinwort Benson unit trusts, offshore trusts and investment

trusts. Clients also can benefit from KBIM's unusual status as a bank in its own right. It is regulated by both Imro and the Bank of England, and the services of Kleinwort Benson Private Bank have been designed specifically for clients with investment portfolios. Gregory points out: "Clients can place deposits and borrow from KRIM, so the quality of the service we can offer is genuinaly integrated. It gives us a very quick response to any require ment that clients may have."

KBIM is anxious also to emphasise that it is not interested only in the super-rich. Gregory says: "There is a common misconception in the outside world that you cannot come through the door here without £10m. That is not so.



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# Axe for

Some fixed-rate bonds, issued in recent weeks by building societies and offering good returns, have now been with-

Chelsea building society withdrew its five-year fixed rate of 9 per cent gross this week. Skipton has withdrawn its four-year fixed rate of 8.75 per cent after only 12 days. The term of the Newcastle Growth bond has been reduced from five years to three, with rates starting at 7 per cent in the first year and rising to 7.5 in the second and 8.5 in the

Although these five-year fixed rates have been withdrawn, the societies still have very good products to match National Savings. Britannia has a one-year bond at 6.5 per cent to beat FIRST Option

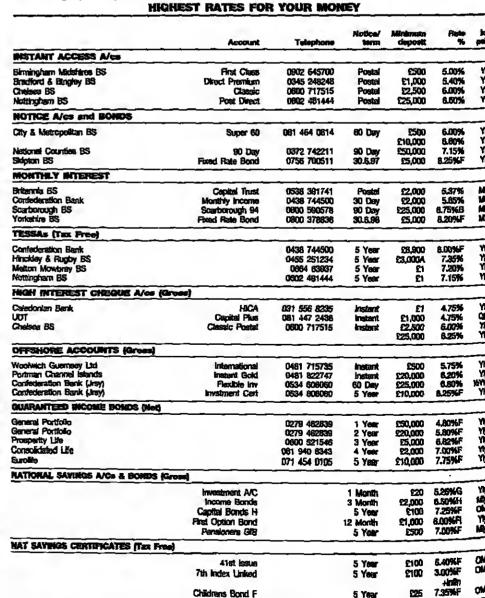
A recent survey by Moneyfacts shows that an investment of £10,000 made in building society fixed-rate products on July 1 would all pay out more monthly interest that the Pensioners Guaranteed Income bond by the end of the term. The leaders are Woolwich BS on the monthly option of its Guaranteed Crowth bond, and Halifax with its Stepped Income Reserve.

The Woolwich bond requires a minimum deposit of £1,000. This pays monthly interest of 7.05 per cent in year one, 7.5 in year two, 7.95 in year three, 9.3 in year four and 11.05 in the

Guaranteed income bond rates have also held. These are of interest to taxpayers as they are automatically paid net of basic-rate tax, which cannot be reclaimed.

The top rate on a five-year bond at the moment pays 7.75 per cent net, equivalent to 10.33 per cent to a basic-rate

Christine Bayliss



known their clients for a long

time, and who listen to them

This table covers major banks and Building Societies only. All rates (except those under heading Guaranteed Inc. Bonds) are shown Gross. F = Fixed Rate (All other rates are variable) OM = Interest paid on maturity. N= Net Rate. P= By Post only. A = Feeder account also required. B= 7 day loss of interest on all withdrawals. G= 5.75 per cent of £500 and above; a per cent on £25,000 and above. H= 6.75 per cent of £25,000 and above. But of £25

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# Computing/David Carter Spreadsheet simplicity

spreadsheets are only for serious number-crunchers: they are the simplest type of personal database available. Once you undarstand bow a spreadsbeet package works you will find it useful for all sorts of tasks.

Invoices and statements. For accounting, the spreadsheet will make all the calculations automatically, including 17.5 per cent VAT

□ Quotations for jobs. If you issue quotations you can produce them on a spreadsheet, then amend them into an invoice once the job is done. □ A sales or purchases dayhook. Your spreadsheet can

also be used to analyse invoices into total, VAT, stock. telephone, fax, rent etc. automatically adding up and crosscasting the columns ☐ Cashflow and Sales forecast. Spreadsheets are handy for

forecasting cash and profitability. Type anticipeted weekly or monthly cash receipts and expenses into a cashflow forecast and the spreadsheet will automatically calculate the running balance on a bank account - or enter the number of units you expect to sell and the spreadsheet will calculate monthly income and gross

Of my own 200-odd spreadsbeets, the great majority are simple lists, all of which can easily be amended and a fresh copy printed. The main benefit of these lists is that they pull together a large amount of information into one place. Virtually every one is ln condensed print, so I can fit 132 characters across the page. spreadsheet, the column headings might be "company name", "contact", "phone no", and "comments". With about 60 lines per computer page 1 can get 60 contacts and telephone numbers into a single

page of printout.

Product price list. Perhaps the most important list for any company. Record on your spreadsheet the part number. description, cost price and sell-ing price of each product you sell. It is easy to keep the price list up to date as prices and products change. When stocktaking, type in the quantity multiply by the cost price field for an instant year-end stock valuation.

☐ Foreign currency. For example, if your base prices are in sterling and you need to convert to D-Marks, the spreadthe latest exchange rate.

☐ Importing/Property/Portfolio valuation. A spreadsheet is ideal in importing, for converting prices into sterling and working out the landed cost. In the property business, multiply the square footage of each building by the latest insurance or rental rates per square foot to calculate annual insurance cost or rental income. If you own shares, enter the name of each security and the number held into a spreadsheet, then enter the share price each week to calculate your current portfolio valuation. Then enter the Inland Revenue's latest indexation

factor to work out capital gains

□ Retail businesses. Shop owners unsure how to use a conventional sales ledger such as Sage, should forget sales ledgers which deal in credit sales. Instead, they should use a spreadsheet to reconcile cash takings with tha till roll each day. Add up the totals each month, then divide the till roll total by 1.175 to work out VAT. Then post as a single journal direct to the nominal ledger.

Daily till roll sales by department. Another retail application. The columns of the spreadsheet would be the days of the week; the rows would be the departments ("food", "confectionery", etc). Enter the departmental totals each day from the till roll and the spreadsheet will add up the total weekly sales by depart-

would end up with 52 by the ☐ Three dimensional spreadsheets. A 3-D spreadsheet can consolidate all 52 into one spreadsheet, tucking them in one behind the other and allowing you to flip quickly to the next.

ment. With a conventional

spreadsheet package you

would create separate spread-sheets for each week and

Which spreadsheet do you buy? You may find that the Excel or Lotus 1-2-3, are more than you will ever use and that an integrated package such as MicroSoft Works is more suitable (£84 by mail order from Guardian Computing, 0753-516959, Dos or Windows).

spreadsbeet package is Borland's Quattro Pro 5.0 for Dos (£38, also from Guardian). Its manual (page 48) contains an excellent tutorial showing how to set up a daily expenses anal-

ather than growing too big for their hoots they have had to avoid letting suc-cess go to their beads at Olney Headwear, the only manufacturer of men's hats in Luton, a traditional hat-making town.

After 75 years making pan-ama hats and a bandful of other styles, including uniform hats, the company made its first takeovers in the late 1980s. The recession years have been excellent for business sales have risen 60 per cent in five years.

"Although we are making 42,000 men's straw hats a year, nearly all of which are panamas, we now have only 60 per cent of the UK market in these fashionable styles, which is a decrease in market share," said managing director Michael

Olney, 54.
"When the panama boom started in the late 1980s, a number of other manufacturers took up the challenge. Many found they weren't up to the job, but a few have stayed. "However we are still the

country's biggest manufacturer of genuine panama hats, using hand-woven torquilla fibre imported from Ecuador, and in the meantime the two takeovers have meant we have increased our total range of headwear to 500 different

Michael and his brother Nicholas head the family com-pany, which has 60 employees, and which manufactures 12 styles of ladies' hat, mainly for Laura Ashley and other large retailers. Ladies' hats comprise 17 per cent of the company's \$2.5m turnover - about tha same percentage as panamas. Workwear hate - mainly for the food and laboratory industries - make up 27 per cent, and gents' tweed caps and hats another 20 per cent. "We try to make our range a

mix of classics and fashion items," said marketing manager Paul Offord.

"Although the panama has been made by Olney for many of the company's 80 years and is now an established classic it would be foolish to assume it will always remain as fashionable as it has been for the past five years. "Michael and Nicholas were

very wise to buy a small Luton gents' tweed hatmaker in 1988, and in 1989 they consolidated this by buying a Glasgow cap specialist from the receiver for £12,500 in late 1989, just before l joined the company. The two equisitions broadened the Olney range of expertise and almost doubled the range of products.

The recent purchase of 5,000 sq ft of extra space adjoining the Luton factory at a price of £90,000 was financed by a 10year loan from NatWest.

because of the seasonal nature of the hat trade, and also because cashflow is very unpredictable, particularly with suppliers in Ecuador and to make this strategy work. A



Minding Your Own Business

# A family keen to get ahead

Clive Fewins on the recession-beating strategy of a hat-making company

China, from which Olney buys

All the overseas buying is done by letters of credit, but getting the money in from the retail trade in this country is frequently a headache, said Offord. That and the other financial aspects of the husiness are the preserve of Michael's son David, 28, the company accountant. He and his brother Andrew, 31, who is production manager, are the fourth generation of the family in the business.

In 1988 - a notable year for the company - the brothers also changed the name from A.E. Olney (their grandfather Albert Edward founded the company in Luton in 1914) and poached Offord from a competitor to implement their new policy of selling direct to the high

"For nearly 75 years we had borrowings are on overdraft. ety of reasons we decided to This arrangement is vital cut out all wholesalers and go direct to the retailers," said Michael Olney. "Paul's initial task, together with my brother Nicholas and three agents, was

new leaslet was produced detailing the entire range of panamas, cottons and straws. workwear hats, tweeds and caps and gents' felt hats, and Paul took to the road.

We thought it would be difficult opening up 500 accounts in shops all over the country," said Offord. "In fact, we received a very good reception in the retail sector. After 75 years in the trade we were pleased to find we were pretty well-known. A lot of our customers had been buying our hats under different names without realising It. It was

hard work legging it all over the country, but well worth the effort. It was very good strat-egy on the part of Michael and Nicholas - and the move came at just the right time to counteract the effects of the reces-

The company's turnover is £2.5m. Rates of profit on different lines are a well-kept secret In such a competitive business. but the company seeks a net profit of 25 per cent.

The main financial obstacle is one Olney is well used to dealing with the necessity to carry a large stock.

"Hats are very light, but trial beadwear, of which it bulky. Much of the newly-acmake 5,000 units a week. quired building will be used for warehousing," Michael Olney Michael said: "Many of these products require far less skill

than goes into making a pan-ama that retails at up to £80. But in many ways they are the lifeblood of the company. "The other vital element in our success is our workforce. A lot of processes in hat-making will always be carried out by

hand. At the top end it is still a

Despite the prestige of its craft-based industry. own-name hats in the high street, the company tries not to ■ Olney Headwcor, 106 Old forget that the biggest single sector in its business is indus-

Bedford Road, Luton LU2 7PD. Tel: 0582-31512.

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SUBMISSION OF EXPRESSIONS OF INTENEST - OFFERING MEMORANDUM INFORMATION: For the submission of expressions of interest and for obtaining a copy of the Offering Memorandum for each of the above-mentioned groups of assets please contact the Jandator's agent in Patras, Mr Dimitrios Simalos et 43-45 28th October St., Patras 262 22 Greece, tal. 430-51-323.869, 320.432, 422.004 or the Liquidator of the Company ETHNHO KEPHALEQU S.A., Administration of Assets and Liabilities at 1 Skoulantou St., 105 61 Athens, Granco tel. +30-1-323,1484, tesc +30-1-321,7905 (Attn. Mrs. Marka Frangaki).

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numbers of tweed hats and

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# Tenants and tax: a new view

In your issue of July 2/3, you published a letter headlined "Tenants and the Revenue". This dealt with the taxation position of a limited company formed by tenants to run their flat block. The tenants pointed out that the company did not generate a "profit" and asked wby the Inland Revenue produced assessments for tax.

Your reply said, in part, that "the expenditure actually incurred in each year is deducted from the rents and service charges due from the tenants in the year, and any balance is chargeable to corporation tax". So also was any income from surplus funds put on deposit or invested.

May I disagree with your reply? For nearly 40 years, f was in the Revenue - most of them in a senior technical post - and am now treasurer of a mutual flat-owners' management company. Onr leases, which are probably typical of general usage, permit the company to demand from ns only as much as it spends on main tenance, management and

Anything collected over and above is, strictly speaking. beyond its legal entitlement although it is accepted by members in order to have a working fund because we cannot budget in advance for every penny.

Rents under the leases are chargeable under Schedule A, but are negligible in relation to the total annual budget. Any further sums collected are indeed under the lease - hut only to the extent strictly permitted by the lease as explained above. It ahould follow that (as the

company is not trading) the

only sums chargeable finally

to corporation tax will be

investment income such as

bank interest, as no Schedule A surplus can arise. My official practice (at my



No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All enquiries will be answered by post as soon as possible

bother me unless their interest exceeded £100 in the year. As treasurer, however, I have found that our anditors prefer for their protection to have the accounts submitted to the Revenue so that it can correctly certify a nil tax provision.

The trouble is that, once you

do this, the machinery of

review will asually produce an estimated tax assessment before the normal due date for corporation tax payment. ■ The reader whose question appeared (in edited form) on July 2 asked a specific question, which we answered. It related to an existing situation, so we did not deal with what arrangements might have been made instead. We referred the reader explicitly to the company's auditor because we hope

there will be a shareholders'

meeting with the auditor to

discuss modifications of the existing arrangements. There are inherent limitations to a free advisory service. and we always try to get readers to take advantage of profes-sional advisers who are already available to them. A brief suggestion of possible alternative arrangements. based upon limited data, can sometimes do more harm than good - particularly in a case like this one, where fellow ten-

ants may have confliction Our replies are tailor-made personal discretion only) was for each reader's particular cirto tell such companies not to cumstances, so far as we can

deduce them, and should not bonds. It was my understandbe taken to be of universal

Capital loss

Regarding a letter headed "Magnat loses attraction" in Briefcase of June 4/5. When these shares were given to us, there was no indication of a value - so how can you claim a capital loss if there is no

starting point? If you contact the London Stock Exchange at Old Broad Street, London EC2N 1HB, giving the date on which you acquired the shares, it will be able to provide you with the share price as at the date of your acquisition. (Answer by Murray Johnstone Personal

### Asset Management). Lower tax credit

Since when have public limited companies been giving a tax credit of 20 per cent on dividends instead of 25? Also, for how many years is a taxpayer supposed to keep divi-dend tax vonchers and other

tax records? Norman Lamont, then chancellor of the exchequer, cut advance corporation tax to 20 per cent in his March 1993 Budget. Generally, it would be wise to retain tax papers for seven years if there are likely to be any queries or reclaims involved (Murray Johnstone).

### Exemption from tax

I am a British citizen who has moved to Monaco for one full tax year. I have a few investments that I would like to realise while overseas. The main ones are offshore roll-np money market funds and zero conpon or deep discount ing when I bought these that my liability would be to income tax when f sold them (assuming that I was resident in the UK). Are these taxable, bearing in mind my non-resident status?

Write to the Inland Revenue. Financial Intermediaries and Claims Office (International), St John's House, Merton Road, Bootle, Merseyside L69 9BB, (or to your last IIK tax office) and ask for a copy of the free book-let IR 20 (Residents and nonresidents: liability to tax in the

You will see from the booklet that if you are outside the UK for the whole of the 199495, you will he exempt from income tax on income (including capital gains treated as income) from sources outside the UK for this year.

### Investment advice

my bank.

Where f can get impartial advice about my investments? The majority are investments for growth and produce a low income. But I am in my late 60s (with no dependants) and find I am in need of more income. I have not been satisfied with previous advice from

It is a little difficult to advise you as we do not know the amount of your investments. But investment advice can be had from solicitors authorised by the Law Society and accountants authorised by the Institute of Accountants. It could also be worth getting

quotes and suggestions from

two or three independent

financial advisers so that you

have a choice of approach and advice. Publications such as Planned Savings and Money Management, obtainable from newsagents, contain details of most of the major players in this market (Murray Johnstone).

en la <u>la prope</u>rcia de la companya del companya del la companya del companya de la companya de la companya de la companya del companya de la companya de la companya del companya del companya del companya de la companya de la companya de la companya de la companya del companya de la companya del company

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### FASHION

# Clothes' sexual challenge

Katrina Blandy on cross-dressing since Adam and Eve

ver since Adam and Eve clothed themcross-dressing between the sexes has been a topic which is both risqué and overplayed. The clothes you wear define not only the type of person you are, but also your sexuality.

To give his female characters freedom, Shakespeare would disguise them as men and let them loose on stage. But while Ganymede-Rosalind thinks she has the upper hand, Shakespeare's audiences would be laughing at her. A boy actor dressed as a girl, then disguised as a boy to dnpe her beloved was a population of the control lar and effective way of challenging apparent sexuality as defined by costume. With the arrival of the Japa-

nese show Takarazuka at London's Coliseum, the challenge

to clothes as definitive of sexu- sharply offsets the earlier ality has taken a much more modern turn. Members of the all-female cast train for years to earn a place in the company, but only the most suc-cessful are chosen to play men. They immediately develop the distinctive Takarazuka quiff. and in doing so mark themselves out as men who are

Here is the opposite to the Shakespearean joke, and, considering the Japanese patriarchal society, one that is tolerated remarkably opeuly. Except here, the raison d'être of this particular sex change is to increase the women's understanding of the role of men and thus to make the women into better wives, so that the dangerous joke is rendered harmless.

This summer's prevailing look of soft pyjama trousers

sharp-edged city suit. Women in the 1980s who wore bold, distinctive suits to the boardroom were issuing a definite challenge to their male colleagues. These primitive distinctions between the sexes have now blurred, so that fashion of the 1990s is more about the person you are, rather than the sex you are.

However, the challenge of cross-dressing remains. At the Ceutral Saint Martin's 1994 graduate show, Juliet Gatto showed a collection of humanoid invaders. Aliens are usually asexual, but Gatto was careful to mark out the sex of her model by making him promenade with a large penis on the froot of his clothes. However tacky this may seem pose in explicitly flaunting what humans since Adam and

Eve have been trying to hide. Visually, the point she was making is obvious: everybody knows that beneath their clothes they are either male or female. What Gatto achieved was not subtle but it was effective, because it focused on the symbiotic relationship between clothes and sexuality. Here, the issue of sexuality was unambiguously displayed on the outside of the clothes rather than hidden beneath.

The child in the fairytale of the Emperor's New Clothes points out that the Emperor is naked. The child's eye sees and acknowledges what adults all around fear to do. Naked. the essence of the Emperor as a man is all the more on viaw. Yet the crowds around still believe him to be dressed until

they are told otherwise. What clothes seem to do for sexuality or personality is to



attitude or posture. Women wearing suits or men wearing kilts are all making - or trying to make - a statement about themselves. The question is whether the wearer is in control, or the designer. If a designer clothes you, rather than you wearing the clothes, then the passer-by - much like child in the fairytale - is hav-

# Why Soho can suit the smart set pectal

It is not just Savile Row tailors who can cut a dash in the world of top-class menswear, says Jane Mulvagh



John Pearse (left) in his Soho menswear shop: for custom

ack Nicholson has been in London. Between dining at San Lorenzo, dancing at Tramp and sleeping at The Connaught, the actor has been stocking up on a few conversation-piece suits. Nicholson is not to be found on Savile Row but in Soho, giving his highprofile custom to John Pearse of Meard Street.

HACKETT

Pearse must be a very successful man, for he does not regard politeness as a tool of his trade. One imagines the

sparring that takes place over the tape measure as he calcu-lates the jib of Nicholson and fellow celebrities Mick Jagger, Tom Cruise, Malcolm McClaren, Nicole Kidman and Mariella Fostrupp, for he subscribes to the tiresome "it's-cool-to-be-rude" style of badinage with customers, for fear, perhaps, that they will mistake

his work for a service. His tailoring style is "laddish". While he can offer the full gamut of classics - grey flannel, Prince of Wales check and Harris tweed - since his days at "Gramy Takes a Trip" in the 1960s, he leans towards more attention-seeking tailoring, such as changeant velvet Hendrix suits, pony-skin print shirts, horizontal pinstripes. and bookmaker checks.

But he finds today's rich rock stars of a certain age prefer his more conventional offerings. "You can get bored of being a fashion plate, and so you dress down in a neutral uniform." The greatest compliment that Pearse can pay a

customer is that "I don't recognise one of my own suits on them, it becomes part of them". He has cited Richard Ingrams as a pleasing example of this, in his signature, bashed-up corduroy suits.

While most of Pearse's cli-ents fall into the "performing arts and their hangers on" category, he also caters for the business community. So if you can afford at least £700 for a suit, and like verbal jousting. Pearse will oblige.

A similar counter-culture is

served by the talented young tailor Oswald Boateng. But, while cutting the sharpest suit in the trade, he will ply you with old world courtesies. A tall, athletic client is best suited to the Boateng treatment for he cuts suits with fork-prong narrow trousers and high-waisted coats. Both his male and female customers emerge from his Portabello Road studio looking like gloriously-coloured Daddy

Longlegs. David Chambers, a jovial tai-

lor based in Hertfordshire, will come to your home or office for fittings, and lists singer Bryan Ferry, designer Sir Terence Conran, artist Patrick Hughes and gallery owner Tim Jeffries, among his clients. Chambers has a keen eye and a sure hand. He is also flexible, taking full advantage of the bartering school of business. Hamish McAlpine, the film distributor, swopped his much-coveted Ferrari for 28 Chambers suits.

Mark Powell, another Soho-

based tailor, specialises in nostalgically-inspired suits, such as the new Edwardian, fourbutton coat favoured by musician Jools Holland and comedian Vic Reeves. He is not only patronised by stars but also by stage companies requiring period costume. His imposing frame, shaved bead and Michael-Caine-in-Alfie manner belie a courteous temperament. John Pearse: tel 071-434 0738 Oswald Boateng: 081-964 1465. David Chambers: 0727-831 573 Mark Powell: 071-287 5498

# Slipping in and out of style

eye could see (except for my

six-year-old New York number.

"Oh, how lovely that you are wearing a print," said one).

more than 17 years old, whose stomachs are less than wash-

For those of you who are

at the world of Lycra in the company of a bevy of lissom fashion assistants. The fashion assistant is a breed unto herself. Paid a pittance, she nevertheless manages to make your very expensive designer suit look like last

year's leftovers. She spends much of her life Essential in cupboards, sorting through some of the world's most British Kit expensive clothes and this has

taught her a thing or three. 137-138 SLOANE STREET It means she can spot the LONDON SWI provenance of anything sartorial, from a designer suit to a handkerchief, with all the devastating accuracy of a cruise missile. Thought you bad picked a bargain in Surbiton?

o Ireland this week Felt pleased with your under-for an "in-depth" look stated buy from Tesco? You will not fool her. Her laserbeam eyes tell you that she knows just where you bought it and exactly how much you

> If there is one thing she knows it is what is in and what is out. While you are still working out how to put together this year's understated, natural look (all white and floaty) she has moved on and is into glamour. Her heels are high, her lipstick red, her hair piled

This is no new-age mystic searching for inner truth (that was last year): this year's model is the dangerously bad and wicked vamp. She has coma in out of the flower-filled

board flat and who have been fields and night-clubs, preferawondering just how you wear bly gay, are now her natural this year's tiny slip-dress, I will All that sorting through of pass on to you the fashion

fashion cupboards (not to menassistants' secret tion the odd chic gift from Firstly, buy it in black. grateful fashion houses) has Secondly, get one of Hue's given her a confidence that Total Body-Shapers (£18.95 a belies her years. If she has a credo it is this – if in doubt wear black. Gathering for dinner in one of Dublin's jolly eattime from House of Fraser stores). Made from nylon and Lycra Spandex this gives what in the trade is called "total eries (La Stampa, very much to hody control" - everything from the top of the bosom be recommended) we looked much like a widows' coven down to the ankle. nothing but black as far as the

It is no good protesting that this poses serious physical challenges for that is not the point - if you want to look good in a slip dress then, as one of the more voluptuous assistants pointed out, you just have to cope with the inconve-

nience. If you are exceptionally young and exceptionally thin you can wear it with long stay-up stockings (Marks and Spencer's stockings have the

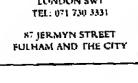
most staying power). For those who are aged over 30 it may be more instructive to observe what fashion assistants do when they graduate to being editors. Then they wear their flirty slip dresses in layers (black, bien sur). The dress goes over a longer tube-like skirt, and over the dress goes a loose top and they add bright red lipstick and sexy, highheeled, strappy shoes. That is this week's news. By the time you read it the fashion assis-

tants may well have moved on. Lucia van der Post



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HACKETT

### HOW TO SPEND IT



in the hottest week London has seen for many e year, British men are still going about their business the way they have since time immemorial – swathed in

dark wootlen suits.

As the hot weather goes on it is worth knowing that there are some splendid bargains to be found in the sales. For instance, a few pieces from Marks and Spencer's splendid pale beige and stone summer collection will be on sale in some of the larger stores.

Look for the fashionable

ingredients of the male wardrobe – the collarless baggy linen shirts (£25 upwards), the loose waistcoat (£30), the unstructured casual jacket (£75), the light linen/wool suits (£160) and the linen/cotton beige jeans (£25). Christopher Brown's

drawings (left) show how the basic elements can be combined to produce a summer wardrobe that can go from the boardroom (far left and right) to the most casual weekend glonics.

# Spectacles to put fashion freaks in the shade

Lucia van der Post tries out sunglasses which protect and look good

hic Simple's handbook\* on spectacles is in no doubt
about what is the
most important
thing about them - "rememhering where you left them
last". True, true, Even now I
am lamenting my cool hlue
Calvin Klein shades - they
sum up everything that this
year's sunglasses should be and I have not the faintest idea
where I last left them.
The second most important
thing is not, you may be dis-

The second most important thing is not, you may be dismayed to learn, the shape of the frames, but how much protection they offer to the eyes. In these ozooe-depleted days most of us are only too aware of what excessive sunlight can do to the skin but few of us are aware of just how much damage we risk to the eyes.

Bye cancer, age-related cataract, age-related macular degeneration, ageing and cancer of the circumocular skin, pterygium, photokeratitis—this is the gloomy roll-call of eye problems that those who flirt dangerously with strong sunlight might expect.

If this sounds a bit alarmist let me refer you to the work of optical company Fabris Lane international.

"Damage to the eyes," its eminent researchers, among them Professor Richard Young of the University of California, conclude, "is cumulative and therefore it is better to wear protective sunglasses from an early age and to continue through life to wear them whenever subject to bright sunlight for extended periods."

While UVA, B and C rays are harmful, the real baddie in the solar spectrum is ultraviolet light and it is all the more dangerous for being invisible.

Cheap sunglasses bought off market stalls and in some chain stores are little more than fashion accessories – hut highly dangerous ones – for some of the lenses are simply tinted and offer no protection.

Fortunately, it is usually

very easy to check which glasses offer proper protection and which do not - there is now a British Standard (2724), which means that, at the very least, the eye will have basic protection.

Within that standard there

Within that standard there are three different levels of protection — if for use just as a fashion accessory (sashaying into Joseph, lunching in Le Caprice, at Academy Awards, that sort of thing) then the lenses should transmit between 29 per cent and 100 per cent of light (meaning that the lens will get paler as the light gets darker).

Then there are sunglasses which transmit between 8 per cent and 29 per cent of daylight and these are suitable for driving in strong sunlight.

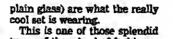
Most protection of all is offered by those which transmit only between 3 per cent and 8 per cent of light and these are not suitable for diving but are intended for skiers, mountaineers and sailors.

Ray-Bans seem to survive

the ups and downs of fashion's fickle favours. If you own and wear a much loved pair you will clearly not be at the cutting-edge of fashion but you will be able to rest assured that you are wearing a classic. They have the enduring cachet of pearls and Chanel.

Last year's ohlong frames, most fashionably done by Cutler & Gross, are this summer, says my style-adviser, very, very square. (Sod's law being what it is, these will, of course, be the ones you have failed to

This year's look centres on thin metal frames, gently oval in shape which, coincidentally and happily, seem to flatter most faces. Clipons (even for those with 20/20 vision - they



This is one of those splendid turns of the wheel of fashion when clip-ons first came in they were strictly for the geriatric set, a reminder of the passing of time and the withering of age.

Now what once was naff has become hig husiness with even some of those who normally wear coutact lenses abandoning them for the summer in layour of prescription lenses and clinons.

Calvin Klein does clip-ons with different coloured lenses – normally £140 for the frame (currently £105 in Selfridge's summer sale) and £40 for the clip-ons, Emporio Armani, too, is rushing in vast quantities of its little metal frames and clip-on attachments.

Anglo-American is one of the great names in what the trade calls "eye-wear". Initially famous for its horn-rimmed glasses, made from zylonite and cellulose nitrate in imitation tortoise-shell, and given clout among the glamour set



Giorgio Armani has some splendidly studious looking thin metal-frame ovals with clip-ons, £130 the pair. From good opticians and Harrods and Salhirious.

when Harold Lloyd and Buster Keaton took to wearing them, they have long been established as one of the first places of call for those who would be

both safe and fashionable.

Anglo-American has added proper optically sophisticated

optical quality plastic lenses

and impact resistant organic glass, to a wide range of

It has some 10 different frames with clip-ons which exactly match the frame in metal and four in acetate. Frames start at £60 and Its clipons are £45 to £49. include lots of energetic sporting activities then you should look out for Fabris Lane's Etalia Sports range which uses polycarbonate safety lenses of great strength.

Fabris Lane also offers other specialist lenses - Advanced Graphite Driving lenses (blocks ultra-violet light completely) yet retains good visibility and polarised lenses which eliminate up to 90 per cent of the glare reflected from flat surfaces such as the sea, snow and wet roads.

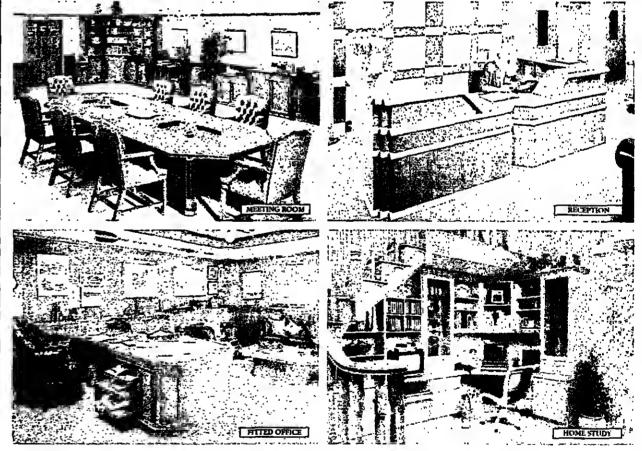
Those who are unaccustomed to the kind of prices designer frames tend to attract might like to look at the Mazzucchelli range, it does for sunglasses what Warehouse and Miss Selfridge do for fashion delivers the latest designer look at a fraction of the

look at a fraction of the designer price.

For just £22.50 there is pair of the slightly oval, thin metalframed frames with good protective lenses which have all this summer's fashionable hall-

marks. \*Thames and Hudson, £6.95.

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### FOOD AND DRINK: SPAIN

# The threat on France's doorstep

Jancis Robinson looks at the Spanish wine bargains available

French wine producers see as their greatest threat?

The average British wine drinker might think Australia. Her (yes, she is female) American counterpart might think north, or even south, America. But the answer is Spain.

Spain is right on France's doorstep and not only has 20 times more vineyard than Australia, and five times more than the US, but half as much again as France. Only its water sbortage keeps Spain in third place as a wine producer behind France and Italy. But imagine if New World thinking were ever to prevail within Europe and allow widespread irrigation..

There is certainly no shortage of Spanish wine bargains available in Britain, although there tends to be

hich country do either dirt cheap liquids carefully designed to meet British taste and price points (sic), or intensely ambitious wines which set their cap at Madrid's connoisseur class.

Ribera del Duero has provided the Madrilenos with Spain's most fashionable, concentrated, well-structured reds. Vega Sicila (Laymont & Shaw, of Truro, Cornwall) and Pesquera (John Armit of London W11) have been the standard bearers, but producers such as Sanz's Dehesa de los Canônigos are putting on the

British wine drinkers are now being treated to a much wider variety of names from this promising wine region at less exalted prices and, it has to be said, slightly less exalted quality).

Senorio de Nava's good value wines are relatively widely available - the harmonious and powerful 1987 is £5.69 at Asda and £5.99 at The typical Priorato red should the-Fullers wine shops, while it is possi-oretically have 13.75 per cent alco-Fullers wine shops, while it is possi-ble to find the still slightly tough hol. This one has 15. 1989 reduced from £5.69 to £4.99

until today at some branches of the The Wine Society, of Stevenage, Hertfordshire, has the rich and powerful Callejo 1989 at £6.95. fts Spanish selection is looking particularly interesting at the moment. Marqués de Alella Clásico 1993 at £4.95 is a lively, super-tingly, lemony, dry white also made just outside Barce-lona, which would make a refreshing and genuinely interesting aperitif and could withstand fierce chilling for a picnic.

The society's classically rustic Masia Barril Tiplco 1991 Priorato at £5.75, on the other hand, is just the job for those with fond memories of blockbusting, old-fashioned, sun-drenched red Châteauneuf-du-Pape.

In many ways the rugged, slatey slopes of Priorat(o) constitute Spain's most fascinating red wine appellation at the moment. A series of small-scale investors in Clos This and Clos That have made ambitious, long-term red wines which combine Catalan heritage with recognition of what the international wine collector seeks. Moreno Wines of London W2 and W9 have Clos Mogador in their exceptionally interesting Spanish range (see also their Guilbenzu reds from Navarra from £4.99), but it is £17.49.

Clos Mogador probably ought not to be broached until the next cen-tury, but Clos Doff 1990, not to my knowledge available in the UK. manages to combine the promise more than 2,500 bottles, filled from some absolutely top quality barrels.
Clos Dofi is made by a refugee from Rioja, but Rioja has woken up from its dream of first-growth prices and can now offer the odd genuinely interesting bargain, such as Oddbins' Puelles Rioja. At £3.75 this scented, full, fruity red wine is one of those new riojas that has nothing whatever to do with the archetype, being juicy rather than oaky.

Oddbins also has the more serious Palacio de la Vega Cabernet Sauvignon 1991 Navarra at 26.99. It is full, deep, with lots of oak, but very well put together. Strike before

Today is the last day of the Coop's offer of the appley dry and per-fectly acceptable light white Gali-cian Valle de Monterrey at £1.99, although even at the usual £2.49 it



# The great north-west seafood pilgrimage

An endless variety of fish makes Galicia Spain's seafood locker. Nicholas Woodsworth eats his way around

good meal is more than just good food. Its enjoyment derives from many other things - the surroundings, the occasion, the company, our own mood on sitting down before a table. There are technically accomplished dinnars I have bad that I scarcely remember. On the other hand there are many less-than-accomplished meals some drunken, some lastminute, some downright bad that I recall with intense pleasure. In the end, cooking is a relative thing the success of which depends as much on the diner as on the dined on.

This is hy way of introducing an account of some meals I had in travelling through Galicia in north-western Spain. More than anywhere else I have eaten recently, this is a place where, together, food and surroundings combine to produce meals of strong and unforgettable flavour.

Galicia - isolated, rural, and battered by Atlantic weather has a cuisine all its own. Peas-ant farming in the green valleys produces a limited range of crops - untypically "northern" for Spain - such as cahbage and turnips. By contrast, the waters off the rocky and indented shoreline of its rias, or drowned river valleys, produce a wealth of ocean pro-

Scallops, mussels, crayfish, crabs, eels, oysters, squid. shrimp, octopus and an endless variety of fish make Galicia Spain's seafood locker. Every night special trains and fleets of trucks leave Galician ports so that next morning fresh seafood deliveries will show up everywhere from chic Madrid tapas bars to tiny Andalucian villages. Some critics rate Galicia's rias as the source of the best seafood in Europe.

But Galicia itself is no centre of culinary cultural refinement - in my drive from Santiago northwards through a dozen fishing ports I did not once see a restaurant that might be termed sophisticated. Wet weather puts off tourists and local underdevelopment dission. I ate on paper tablecoths in simple restaurants, often to the accompaniment of a blaring television. So much the better. What counts bere is the freshness of the food and a chance to watch ordinary Galicians go their everyday way.

THE SANTIAGO MARKET Santiago de Compostela bas been the site of Europe'a greatest religious pilgrimage for more than 1,000 years. Its medieval covered market is also a good place to begin a culinary pilgrimage. It is like a large shopping centre straight Tapas, popular all over Spain: what counts is the freshness of the food from the middle ages - long, stone-paved alleys and row after row of arcades mimic the aisles of a modern supermar-

But there is nothing modern here. Whole animals hang from books. Skinned sheep's heads stare at you. Squat, headscarved Galician farmers' wives work with thick, fieldroughened fingers to arrange bunches of chives into precise piles on wickerwork baskets. Plastic wrapping, polystyrene, and clerks in white jackets might never have existed.

All the aisles were piled high with produce from the surrounding countryside, but my favourite was the cheese aisle, where each cheese rested softly on straw-covered wooden racks. I bought a queso San Simon from a toothless, grey-haired granny in black widow's

weeds. It was a wonderful cheess - creamy coloured, large, and conical in shape. Such cheeses are much prized in Galicia – when I told the old woman that I was taking my cheese bome with me I

received 10 minutes of instruction on its care. What did not last more than five minutes, though, was the fresh tuna and sweet red pepper empanada I also bought. Empanadas are the Iberian version of Cornish pasties, and very popular. Downed with a glass of cool Galician apple cider, they make a delicious market-morning snack.

EL BOMBERO

There is nothing fancy about El Bombero, a small upstairs restaurant overlooking a narrow Santiago street. From my table I could watch three generations of family members at work in the kitchen. A small child, getting in everyone's way, played about the floor on hands and knees.

But homely restaurants

make homely food, and a caldo gallego was just what I needed to ward off the raw air and the Atlantic rain pelting down out-side. A caldo is the simplest of peasant fare, a thick soup of cahbage, potatoes, white beans and turnips in a meat broth. Its popularity is attested by the dark green cabbages seen growing high on thick stalks outside every rural bouse in

The meriuza o la cazuela or haka stew which followed is just as bumble a dish, and just as delicious. Prepared in a small terracotta howl that came to the tabla bubbling hot, it is a hearty marriage of Gali-

cian products from sea and shore: thick slices of bake baked in a fresh tomato sauce with peas, potatoes, onions and savory chunks of cured ser-rano ham. I walked out of El Bombero ready to take on any

SAN FRANCISCO The roadside San Francisco restaurant, near the coastal village of Lauro, has a vast collection of key chains mounted in glass cases on the walls. It is one of the more arcane branches of collecting, and I would have preferred to see a menu. But no. The lady of the bouse asks you if you would like sucb-and-such a dish. If you would, you get it. If you would not, you get it anyway. Did I want lenguado. she asked. I had never heard of it,

and shook my head. Did I want

a pitcher of Ribeiro? I had never heard of that either, and shook my head again. Lenguado and Ribeiro were duly produced, and in this way I enjoyed a delicious meal of sole and the local wine, a refreshing change from the heavier wines grown in hotter, sunnier parts of Spain.

PLAYA DE BALEO It does not much matter what you take on a picnic to the Galician seaside. It is all so beautifully wild and deserted you cannot help enjoying the simplest of food. Crusty Spanish bread, savoury chorizo sausage, cheese, tomatoes, a bottle of Ribeiro; in these surroundings what more could you want? I am afraid, though, thet aftar half-a-dozen picnics on half-a-dozen glorious Galician seashores. I have become seriously addicted to anchovystuffed olives. They are diffi-

CAMARINAS There are dozens of fishing boats in the port at Camariñas. But when I arrived a heavy three-day blow meant there was nothing left in O Men Lar the little fish restaurant decorated with photos of the local football team and its cups and

cult to find in London.

Off then, to the local hamburgueseria, a place so unassuming that this was the only name marked on the sign outside. But so many Galicians have emigrated to Argentina and then returned home that Argentine meat-eating habits are well established here - you will find the same grill houses in rural Galicia as you will in downtown Buenos Aires, Ham-

burgers be damned, said L Humming a tango, I feasted instead on sticks of pinchos morunos, grilled marinated pork doused in a flery, garlicbased hot sauce.

The wind dropped, the boats vent out, O Meu Lar was back in business, and so was I. To a television-roaring of Zaragoza playing Vigo, a Galician team, for the national football championship, I tucked into fat orange ria mussels in escabeche sauce. By half time I had moved on to calamar salad and a bowl of chipirones. small stuffed squid swimming in a sauce of their own ink. To great howis of despair, Vigo finally lost on sudden-death penalties. Everyone else in 0 Meu Lar was destroyed. Rather ashamed, I walked out feeling like a winner.

MALPICA

All Malpica, once a husy Spanish whaling port, is mad about

Elderly men and children those too old or too young to be out on the sea - clamber about on the rocks at low tide. They poke around with nets and hammers and sticks, looking for octopus, moray eels, mussels, hait worms, nasty-looking hut highly tasty clumps of goose barnacles, and

make such good soup. Down at the barbour, young men set out daily on the high tide, heading for tha fishing grounds in little wooden boats. And when the Ave Marina, the Flor de España, the Maria Mercedes, the Jesus Miguel and the rest of the fleet returns home, squads of short, heavyset women await them on the quay. With ruhher hoots squelching and the arms of their jerseys shoved up to the elbow, they heave and haul at

boxes of fish and tubs of squid. You can dine on vast plates : of caldeira in O Burato, a restaurant not far from the harbour where the walls are covered with pictures of Christ and the Virgin framed in scallop shells. And if there is s littla spare time between courses, you will see the three elderly waitresses who work there gather in the kitchen to

recite their Hail Marys. Even more uplifting is to sit at twilight by a window in 0 Pescador, the fisherman's bar perchad over the port, and order a tapa of grilled shrimps or fried octopus. Inside, in a blue fug of cigarette smoke. laughter rancous, the sound of dominoes being slapped down on tables by groups of whiskery fishermen pistol-sharp. Outside, seagulls scream, boats bob, and ocean waves surge over the rocks. There could be no better place to finish a seafood pilgrimage.

ben ricb and famous, Salvador Dali, the surrealthe salons at Madrid's Palace Hotel leading an ocelot and surrounded by admirers. Writer Ernest Hemingway

drank his famous martinis there and film stars Orson Welles, Ava Gardner and the spy Mata Hari are among the celebrities who have slept, eaten, drunk or made love there during Its 80 years. Builfighters would leave the

front door of the Palace dressed in full costume ready for the fray. Belmonte, El Gallo Manolete...the great names of the corrida were cheered from its portals.

I did not glimpse an ocelot or a matador when visiting earlier this summer but, by way of drah compensation, the hotel was packed with Amaricans, Japanese and Italians in town for the festival of Madrid's natron saint, San Isidro.

It was nearly impossible to get a table in La Cupola, the

# Hemingway did drink martinis here

rently one of the most popular places in town for being seen. Curiously, for such a public venue, it is also where Spanish politicians meet to plot. The atmosphere is refined yet intimate and the impression is of more than lamb chops being

cooked up there. The Palace plans to host chefs for four to six-month periods from different areas of Italy to cook with Paco Rubio, the hotel's executive chef. And although it may seem odd to eat Italian food in the Spanish capital, food is available there from almost every country in the world - in addition to every Spanish region.

When in Madrid it is usually advisable to order fish - some of the freshest and the best and the poached fillets of sole with a salsa capricciosa were elegantly presented and competently cooked.

Milk-fed lamb and yeal are especially racommended and desserts include tiramisii, carrot cake with cinnamon ice-cream, apple tart with poppy seeds and blancmange with fresh fruit coulis.

The average price of a threecourse meal is Pta6,000 (£30) to Pta6,500, plus tax. If that sounds too high a price then opt for breakfast. Anyone who is anyone can be seen nowerhroking over the yellow tablecloths between 7.15am and

There are splendid croissants, breads, fruits, cold meats, smoked salmon, and

chefs will cook, in the dining room, almost anything to order even bacon and scrambled eggs. You can enjoy a glass of cava if you can face sparkling wine before 10am in the morning - and, it seems, many can. Breakfast costs from Pta2,150. ■ Information: The Palace Hotel, Plaza de las Cortes, 28014 Madrid, is a member of Leading Hotels of the World. Reserva-

tions can be made in the UK by

well chilled, are lumensely

dialling 0800 181 123 toll free. The dowdy, hny-it-once-ayear-for-the-in-laws-at-Christ mas image which sherry has in Britain is in stark contrast to the way it is seen in Spain. Dry fino sherries, served

Spanish young who appreciate the wine's adaptability, especially with tapas.

For a characteristic bone-dry fino, try Lustan's Puerto Fino, around £7.25 from Gateway, Oddbins or Thresher; or the ever-popular Tio Pepe which is sold for about 27.50 from most off-licences and supermarkets. An alternative to fino is

manzanilla, which is basically the same dry sherry which has been aged near the sea at Sanlucar de Barrameda. To be authentic, manzanilla should have a sea-sait tang compled with the dryness of green olives. Barbadillo, £4.99 from hranches of Arthur Rackham and The Vintner, is a good

example. Amontillado is old fino. As it gets older it gets increas-ingly nutty in flavour. Naturally, amontillado is bone dry, dark from age and higher in alcoholic strength than fino. It nsed to be the tradition to sweeten up amontiliados for the British market and Harvey's 1796 is a monument to this old style. If you want to try an uncompromising old amontillado try Valdespino's Coloseo (Lea & Sandeman,

071-376 4767, £19.95). Anyone looking for some thing a little less intense might prefer Alcazar from Bobadilla (£7.25 from Moreno Wines of Paddington 071-723

Olorosos are generally softer than amontillados. Oloroso means fragrant and the wines

bouquet. A superh unadulterated oloroso is Apostoles from Gonzalez Byass (£15.99 from Oddbins). The best oloroso I have drunk is the finest dry oloroso vintage 1963 from Gonzalez Byass, which costs a hefty £65 at Harrods and Self-Giles MacDonoph

■ A hold attempt to bring Madrid chic to a world familiar only with tapas is the restaurant Albero and Grana at 89 Sloane Avenue, London, SW3. (Tel: 071-225 1048/9), Sadly, only the tapas wing of the enterprise seems to flourish and the few diners in the restaurant are obliged to put up with the booming bass of the music from the bar. Albero & Grana

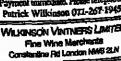
is well worth a look, not least

for its lasagna of black pudding, olla gitana (stew in the gipsy-style); veal liver and kid-ney with black olive sauce; and milk-fed lamb. Assume about £40 a head.

Finally, a little book to help you sort out your bocadillo from your platos combinados. The Traveller's Food and Wine Guide to Spain and Portugal, by Christine Boyle and Chris Nawrat, costs £6.95 from Carbery Press. Tel: 0264-860368.



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# The Silk Road's route to a living laboratory

ently travel Uzbekistan's part of the Silk Road tbrough Khiva, Bokhara and Samarkand to Tashkent. Countries ending in "stan" give off an impression of danger now, enough to deter from the poetry of the names of the road-cities.

This is a shame, for the Silk Road is not merely a parade of cultural artefacts of extraordinary beauty and power strung along a former caravan route which the Chinese pioneered to sell their unique commodity before the birth of Christ, but also a living laboratory of the retreat, and auryival, of the road's latest civilisation, the

Khiva, from where it is best to start, is in the north-west of the long strip of land called Uzbekistan, and is a museum. Its walled core has few inhabitants, but a welter of madrasas (Moslem seminaries), mosques, palaces, harems and dungeons.

The Khivan khans ware. according to the Soviet-era museum displays, connoisseurs of cruelty: they embedded vic-tims in "bug pits" of scorpions and ants, impaled them on spikes, executed and strangled them, threw them from the towars of mosques and fed them alive to beasts.

On some accounts, they continued to do at least some of this until deep into this cen-tury. Gustav Krist's marvelious, John Buchan-esque memoir, Alone Through o Forbidden Land, records executions by throwing from a mosque tower as late as 1920. In that year, the last of the khans left before the Bolsheviks got him and moved to Afghanistan (his son fetched up as a Soviet army general).

Most of the line of 47 khans lived inside a fortress - the Kunya Ark - within the walls, where the harem, the mint and a mosque have been restored. Finer is the Tash Khauli, or stone palace, commissioned by the 37th khan, Allakuli, who commanded to be built a pal-ace which still dazzles with its

inventiveness and colour. in the main courtyard, the rooms for the legal wives lie along one side, next to the khan's own rooms; opposite, the rooms for the 40 non-lawful wives. Meok Kasmaodov, a local man who did a fair joh as a guide, says that "because they were on the summy side. they often grew tired and sometimes sick - at which the

khan would throw them out". There is little sign of a religious revival, though madrasas are being brought into new service at a great rate everywhere and Islam is close to a state religion. One of the largest madrasas has been re-cast as a hotel. The manager looks very much like Libyao leader Muammer Gadaffi, and tries to charge \$50 for a badly converted cell with a tap and a brokeo toilet.

In the restaurant next door, the tables were taken up with an Algerian-Russian-Uzbek crew leisurely filming what was said to be a promotional film. They stayed up much of the night for a union meeting in the hotel's forecourt, com-

low pay. A bar in a vault sells western drinks and cigarettes. On the stools, two young Uzbeks sat and swayed delicately to the Russlan and Uzbek pop music, eyes shut.

The local children were voracious for gum or money, and threw stones at one companion who parted with neither. But a wedding procession in the midday heat was a showcase for a marvellous dance from an elderly man, pirouatting gravely before a young couple who walked slowly down the main street, the hride with grim face, the groom snigger-

ing with his best man.

A littla bus to get us to Bokhara hounced through tha gathering dusk across the soutbern edge of the Kizyl Kum desert. Bokhara also has an ark (citadel), which juts up out of a leafy square, and inside is a museum of exqui-sltely made Korans and the apartments and courts of the caliphs whose arrogaoce caused all supplicants and ambassadors to approach on all fours and walk out back-

On the wall, a little pie chart shows that "before the revolution, the richest families in the city controlled 87 per cent of

> John Lloyd on the road from Khiva through Samarkand to Tashkent

the land; the peasants, 13 per cent". The Bokhara bug-pit housed two British officers, Lt-Col Charles Stoddart and Capt Arthur Connolly, in the early 1840s. They were executed when the latter refused to convert to Islam.

Our guide was a russified Uzbek woman named Zinai Ashurova who, in Bokhara's oven-like temperatures, had the fondest memories of her time in a college in Novokuznetsk, a - to my sanses -industrial hell-hole of a town in southern Siberia hullt round a vast steel plant. "The people there are so warm, so welcoming," she said. In the grounds of the Ark, most other sight seers were girls from outlying villages in loose dresses of hrightly-coloured silk, giggly and silly before the western strangers.

Ashurova proposed an excur-sioo to a little museum she knew "where you can try on clothes". It was, of course, a softening-up course for shopping, hut more or less worth it. The museum was in a private house, preserved; Sburova described It as a millionaire's house. In fact, as I was later told, it belonged to the family of Kodja Oghli, or Kojaev, a man of wealthy family who turned communist and who in 1920 assisted the Bolsheviks to expel the emir and the bourgeoisie. Later he became first secretary of Uzbekistan, and was executed in the late 1930s

hy Stalin. We sat in the house of the

class traitor and were served green tea and sweets. After some time, the curator of the museum came in and showed us clothes, inviting us to try them on so that we were dressed as Uzbeks of property. Her husband, a handsome, lan-guid man, assisted (only men can dress men in Moslem custom). The rooms were splendid. in one, a vast old gramophon declared it to have been the chamber where the women of the house danced together of an afternoon.

Taken for Jews in the street

we were led to the town's synagogue by its caretaker. It was two medium-sized rooms in a sagging honse, with the prayers in large letters on the walls and the raised pulpit in the middle of the room. The tables were covered with tea bowls and little teapots. The caretaker said that 400 Jews only remained from a commu nity of many thousands. Later, in the market, a trader who introduced himself as Jewish, said there were 2,000 Jews, "but leaving fast" - as from everywhere in the former Soviat Union. in the local art gallery, a

Avezov sold me an illustration. and himself guided us to the large Kalyan Mosque, and to some of the fine - hut deserted - old madrasas. An Uzbek, he studied in Leningrad (as It then was) and married a Russian. His wife found Bokhara provincial and bot, and left him with their son to live in Norllsk in the Arctic circla; he remarried.

young artist named Rachman

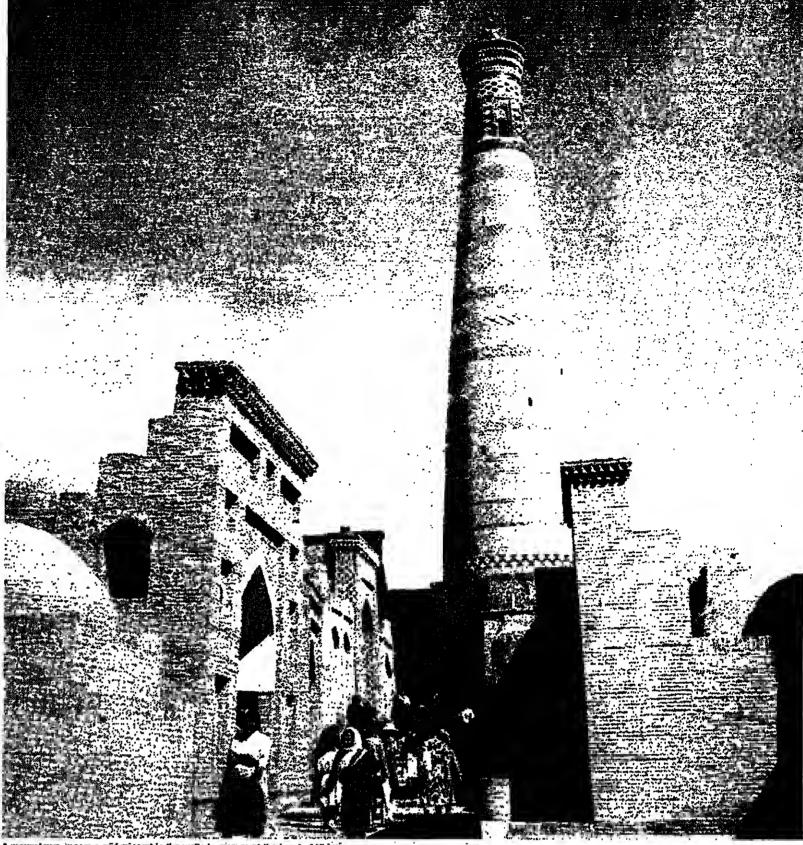
He fears that a revival of religion will narrow the freedom artists enjoy in a still largely secular if (compara-tively) mildly despotic state. "Art has no boundaries," he said, showing me a book of ovant garde art he bad just bought, in which Uzbek and Russian artists were displayed

("Mildly despotic" deserves an explanation. The country is run by a president, Islam Karimov, the former Communist Party first secretary, who rou-tinely throws opposition leaders into jail. He recently sent the editor of an opposition newspaper, a man in his late 50s, to hard labour in gold mines for five years. Diplomats in Tashkent credit Karimov with being hard-working and concerned for the future of his country.)

Another 300-plus kilometres of bad road, and there is Samarkand, where the mausoleum of Tamberlaine - Gur Emir, the Rulers' Tomb - is being restored by lethargic workers and the guard, for about \$4, took us to the real hurial vault of the tyrant under the false one he built to deter disturbers.

of the Russian anthropologist, Mikhail Gerasimov, who - defying the curse laid upon grave-openers - exhumed the body on the night of June 22 1941, to be told within minutes of doing so that Hitler, goaded to fury by the insult to his fellow mass murderer, had invaded the Soviet Union. But the glory of Samarkand





a square formed on three sides by the soaring arches of mad-rusas, of a form and colouring (mostly restored) which define space in a way not found in Europe. Behind the vast arches of the entrances are the ribbed domes of the mosques splayed out from the central agex like & 1st CLASS tensed muscles. Inside are some of the loveliest rooms in the world, some restored and !O'BURG

well preserved, others neglected. In the yards, lounging young men entice you to their stall by shouting, and play the awful local pop on portable tape machines.

One last bone rattle to Tashkent. Uzbekistan's capital was wholly destroyed by a series of earthquakes in 1966 and rebuilt as a model Soviet city. It is green, with more working fountains than others of its kiod, but dull, too, with no fine

In the squalid airport, men and women bumped huge sacks of fruit and vegetables; merchants with low-price tick-ets were taking produce on a 3%-bour flight to Moscow. Theft from gardens is now common because of the high prices which the produce commands in the Russian markets.

a jumble of paintings, many in the Soviet realist style: strapping Uzbek cotton workers and soldiers, patient old men's faces, wooden still lives. The handicrafts, by contrast, are marvellous: embroidered kholats (men's gowns) which took five years of a woman's work-ing life, covered in intricate

In the Hotel Uzbekistan, we found another wedding. The young women danced gracefully to the raucous din from the loudspeakers; the men pay them, and they give the money to the bride. To our table came a drunken waitress. A few moments before she had rudely refused to seli us tea on the ohviously false grounds that there were no teapots. She sat and burst into tears, speaking a very broken German. She claimed she was ethnic German (there are many still in central Asia) and that ber brother had gone to Germany while she was stuck here.

She remembered her mother, and cried. She tried to insist that we were German, anxious to claim a kinship. But, perhaps suddenly struck that she was a middle-aged waitress, drunk but well short of oblivion, in a shabby botel bar where the Germans whose understanding she was trying to gain were barely civil and were anyway not German she rose with a grunt and flopped off back hebind her

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Ark fortress and town at Bukhara

# Rio waits for Romário to bring home 'his' Cup

World Cup and get knocked out early. This year has been different for two reasons: their defenders can defend and they have a striker who can score. Romário (da Souza Faria) has five goals in six World Cup games so far - about the average rate for his career. This league sea-

son, he scored 30 for Barcelona Carlos Alberto Parreira, the Brazilian coach, may never invite Romário to his birthday party, but he has decided to forget the great man's personality flaws at least until tomorrow night.

Now that Maradona has retired yet again. Romário is probably the best player in the world, hut in the last World Cup his irksome character kept him from playing

ormally Brazil play the hest football in the Simon Kuper on the unpredictable brilliance of one of the world's great strikers zilian and he put it in the near

This is a man who says his hobby is sleeping (14 hours a day); who informed the Dutch press that his PSV Eindhoven team-mates could not play soccer, who flies home to Rio when he feels like it, league fixtures or not; who likes nightlife so much that he is "going to keep going out until I am 90 years old"; and who called Pelé "mentally retarded.

Romário lacks Maradona's self-destructive streak (when he goes out he neither drinks nor smokes, not even cigarettes), but he is also a good deal less sociable than the Argentine. He thought it most unreasonable that he had to sit next to his striking partner Bebeto on the plane to the US. Carlos Alberto

more than part of one match. Parreira, a European type of coach. only recently came round to the idea of letting this man into his

> If you are Romário you don't have to be nice to people. Bobby Robson managed him at PSV and was frequently tempted to fire him, but then the striker would appear suddenly on an overnight flight from Brazil and score a hat-trick against

> The problem at PSV was that Romário disliked Holland. He failed to understand the weather, or the Dutch hahit of turning up for appointments, or the way they treat soccer stars as normal people, and he failed to charm the natives by saying things like: "In Holland !

He was never at home in sleepy Eindhoven. Born in a Rio slum, he moved with his parents to a slightly nicer slum before becoming a star.

He does not dare visit the neighbourhoods where he grew up, but he loves driving around Rio like a madman, and when, during a recent game of beach volley-ball, he noticed a new building going up, he bought 10 apartments on the

Rio came through for him again after his father was kidnapped in May. Within days, the police had found the old man. It seems that the tip-off came

from a gangster who feared that Romario's form might suffer if his father were killed. "The only way I can repay the Brazilian people,"

Romário said, "is hy scoring goals and helping to win the World Cup." This, he declared, was going to be Romário's Cup.

During it, he has been the closest we have to a Maradona Mark II. About the same beight as the Argentine, with the same enormous chest and thighs and skinny calves. he has Maradona's sense of balance and can similarly heat multiple defenders within a few feet in the

Romário, too, has taken to running with the ball from mid-field. He is always surprising. "If it had been a European player, he would have put it in the far corner," observed Russian keeper Dmitri Kharin after Romário scored against him. "But Romário is a Bra-

Romário's goal against Holland (he considered shaving his head before the game) was even more

A cross landed far too far in front of him, so he flicked himself three yards through the air and, while he was still dropping, virtually on top of the hall, hit a halfvolley with the outside of his right boot into the inside side netting of the Dutch goal.

The Italian defence will probably not permit much of a goalfest tomorrow, and Romário was part of the Barcelona team that lost 40 to AC Milan in May's European Cup

But when Romário says that this is Romário's Cup, and that he is the real thing, why should we argue?

### Losing wagers litter path to final

Betting-wise, the World Cup has not proved my finest hour writes Michael Thompson-Noel No bookmakers have topped themselves as a result of my bets, which is always the bonus savour most.

I got over-heated to start with: then slowed to a crawl; and was finally flattened by quessiness at the sight of Brazil's shrinking odds. In short: bad strategy, poor money management, and oss of nerve.

backing Colombia and Argentina, then Romania, Nigeria and Germany, and eventually Bulgaria – six quads of shirt-lifters. Between them, these australouithecines cost me £308 (including tax). The only sensible bet I made all month was £60 Brazil to win the World Cup at 3-1, which was the best price you could find

I started too excitedly,

in London on June 17. Italy were 6-1 that day, but I have never backed Italy in my life. On the other hand, the bookles were offering half-odds if teams reached the final, so there must be thousands of Italians already showing a huge collective profit.
This is what attracted me to

Romania at 33-1 after they trounced Colombia. Romania I divined - were a team from the 21st century; plty about their penalty-taking.
As the tournament progressed

and Brazil looked far from convincing, I stared in horror at their rapidly-shrinking price. This was my hig mistake.

There is a streak of showiness in my character which at times mutates into a bulging vein of vulgarity, Among other things, this makes me a contra-bettor. disdain sensibly-priced favourites such as Brazil and instead bet on flashy outsiders such as Nigeria, Romania and

Bulgaria.
As things stand, I will lose £134 even if Brazil win tomorrow. So yesterday I rang the wretched bookies, looking for an escape.

f started with the rascals at

Ladbroke, which calls itself, smugly, the biggest bookmaker in the solar system. Brazil, said Ladbroke, are now 8-15 to win the cup, and Italy 11-8. This is no help to me. I never bet

the odds were against Brazil beating Italy 4-1, as they did in the World Cup final in 1970. Answer: 40-1. Brazil to win by 10 goals to nil? Answer: 100-1. These odds are inhumanly

a mighty smirk and swagger, pasting. I mean, Italy?

# Coaches ponder their final teams

The jobs of Carlos Alberto Parreira and Arrigo Sacchi are on the line tomorrow, writes Peter Berlin

When their team was announced before the semi-final against Swe-den. Brazilian fame den, Brazilian fans in the stadium greeted every name with a roar - all names but the last one. They gave coach Carlos

Alberto Parreira the bird. One of the oddities of this World Cup is that the coaches of both finalists could be fired. In part this reflects the whole tournament: lots

of great games, no great teams. Brazil's fans yearn for more fantasia than Parreira has been able to provide. He did not invent the fiveman back line that Brazil have used, but in this World Cup the formation has suddenly looked ter-

ribly defensive. Part of the hlame lies with the players Parreira has. The three central defenders are all good, old-fashioned centre-halves: quick. strong and athletic and, as with all Brazilians, comfortable on the ball. But they are unwilling to burst for-

On the rare occasions that Mauro Silva has joined the attack he has not made a telling contribution. In front of the centre-hacks sits Dunga, the best defensive mid-field player in the competition. He, too, is slow to commit him-

self to attack. Often when Brazil are attacking. four or five of their players loiter at the half-way line marking one opposing striker. Memories of last summer's defensive collapse against Germany in a friendly in igon DC soll linger

The Brazilian approach depends on the attacking abilities of the wing-backs and mid-field players. The suspension of Leonardo has been a severe blow. His replacement. Branco, is a menace at free kicks hut lacks the pace and stamina to pose a consistent threat to the opposing full-back.

The attacking mid-field men have disappointed. Mazinho and Zinho have been patchy, Rai pedestrian. Perhaps the coach will give in to the Brazilian president, fans (and to memories of Pelé) and pick the 17-year-old wonder-child Ronaldo. Brazil have had difficulty breaking down defences. Their passing and movement off the ball remain pleasing to watch, but often lack thrust.

They have been most dangerous on the rapid counter, when a long ball from defence finds Bebeto and Romário facing just two or three defenders, with the whole opposing half to move in. These two have demonstrated time after time how dangerous two attackers hunting as a pair can be.

So far, Parreira's system has worked. Brazil's style is well-suited to the heat. The team have looked in control throughout all but one of their games. The solitary exception came after they took a 2-0 lead against Holland.

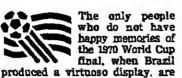
Brazil may have been guilty of losing concentration or it may be that until they backed the Dutch into a corner they had not faced a dangerous attacking side.

The suspicion remains that Brazil have looked so comfortable in most of their sames not because they are good hut because their other opponents - Sweden (twice), Russia, Cameroon and the US - have been

poor and defensive. Italy are capable of applying pressure that Brazil have not yet experienced. If Dennis Bergkamp can run through the Brazilian defence, so can Roberto Baggio. If Aron Winter can best them in the air, so can Pierluigi Casiraghi - if

Nevertheless, the Brazilians probably hope they face the industrious but goal-shy Casiraghi rather than the speedy, sharp-shooting alternatives: Giuseppe Signori and Daniele Massaro. The Brazilian solution will be to defend in numbers. Italy, too, will be obsessed with

double- and triple-marking Bebeto and Romário. The hope tomorrow is for an early stroke of genius which brings a goal and loosens up



Italians, They lost 4-1. But if the attitude of the Italian team in earlier rounds of this World Cup is a guide, they will be glad that they face Brazil tomorrow and not Sweden - not because they desire revenge, but because they want an opponent they can lose to without losing face.

But which Italian side will show up? Will it be the confident side that tore into Bulgaria for 20 min-utes in the first half of their semifinal, producing the best passage of sustained attacking play in the

Or will it be the team that surrendered after Spain equalised in the quarter-final spent 20 minutes in an abject defensive crouch and were rescued only by goalkeeper Gianluca Pagliuca's fortuitous save

against Julio Salinas and by Roberto Baggio's off-side goal immediately afterwards?

Italy's progress to the final has not stilled coach Arrigo Sacchi's army of critics. Some dislike his English-style tactics, others his endless tinkering with the team - Sacchi has used 20 of his 22 players as he searches for 11 who will conform to his plan. Some object to him on political grounds: he is Berlusconi's protegé.

It is easy to second-guess Sacchi's squad selection. Roberto Donadoni is the only gennine wide player and, canny, skilful and tough as he is, Donadoni now lacks the pace to beat defenders on the outside. Only Roberto Mussi, a full-back, and Giuseppe Signori, playing out of position, have consistently found good crossing positions, though, like everyone in this World Cup, they have had trouble crossing well.

Critics argue that it is no accident that Italy have earned the nickname of "Cardiac Klds," winning

twice with 10 men. Only when they have a player sent off can they safely shake off Sacchi's tactics, it

Yet against Bulgaria, Sacchi's thinking paid off. The Italians applied relentless pressure to the ball carrier. Two or three hlue shirts would harry every Bulgarian. The Bulgarians tried switching tha ball back and forth across the field. away from the crowds of Italians, yet could never escape. They were penned in their half. Italy seemed to

have more men on the field. The Brazilians like to move out of defence with quick short passes. which should provide the Italians with chances to regain the ball quickly in the most dangerous area, as the Dutch did in the later stages of their match against Brazil. It also means that Italy could spend an exhausting afternoon in the heat chasing shadows.

Since the injury to Franco Baresi, who showed his age against Ireland, the Italian defence has been impresstvely solid. Yes, they occasionally look shaky when players run at them, as Bebeto and Romário will, but so does any defence. Now they will be without Sandro Costacurta and, unless Fifa has an uncharacteristic change of heart, Mauro Tassotti. If this means a return for Baresi, who had knee surgery on June 19. the Brazilian strikers will be eager to test him out.

Sacchi's squad is showing signs of wear. Baggio tweaked a hamstring against Bulgaria. With three days rest he should be able to start, but self the hamstring could pop again at any time.

Pierluigi Casiraghi showed signs of cramp after barely an hour of his first World Cup start. That may be because he has hardly played for a month or, more likely, because the 90° heat on Wednesday and over the last month has taken a toll on even

the best-rested players.
But the key for the Italians lies not in their legs but in their heads. if their nerve and luck hold, they

# So I questioned the rascals

cramped. I would rather buy blood from a vampire. But I believe I have no choice. With I will today bet £20 on a 4-L Brazilian win and £20 on a 10-0

# Confessions of a temporary sports writer

Italian goalkeeper Glanluca Paglinca prone after Bulgaria's penalty in Thursday's semi-final. But the "Cardiac Kids" held on to inch into the final 🕬

Continued from Page I

murder of a Colombian, red and yellow cards like confetti, orange crushes and cold beers, heat beyond all belief, happy fans and sad fans, painted fans and near naked fans but no violent ones, Arah princes in robes and Armanis and Dutchmen in horns presumably borrowed from elks or Norwegians.

And there was no need to go to the office: the stadium - or the couch - was the office.

It has, in fact, been enjoyable - so much so that it is pointless to ponder truly profound questions derived from the experience: such as whether professional soccer can take root in the US (maybe, hut it will still take time); when Alan Rothenberg, the US organiser of the

World Cup, runs for the senate from California as a Democrat (he probahly will not have the time); or if a class action suit against adidas is possible for offences to fashion (goalkeeping jerseys are now universally disgusting. At least Jorge Campos, the Mexican macaw, designs his own).

Some gentler observations are possible. One will be heretical to supporters of all the 24 qualifying teams and may even be antithetical to the whole ethos of all sports, but it was passed on hy one veteran English soccer writer in a quiet passage of the Norway-Mexico game (ie, the first 85 minutes).

To avoid being lynched on his return, his identity must be pro-tected, but what he said was some thing like: "It's wonderful England

aren't playing. I don't have to write about the bloody players, I don't have to write about the bloody fans, I can sit back and enjoy the game and then I can write about what I actually saw." (One of his colleagues, he said, was assigned to

Ireland, the Angio substitute.) He is right. Having only the most marginal of stakes in the outcome (how could anyone not root for an underdog, except possibly Greece, and then only because of the political banners sported by their supporters?) helps one appreciate the

A Moroccan or Belgian is obliged to think that Mohammed Al Deayea of Saudi Arabia is the jammiest goalkeeper on earth, much as Brian Clongh long ago dismissed Jan

faster and wider, or has better hands.

Swedes must say that Romario's goal was not a patch on Kennet Anderssen's lovely one in their 1-1 draw, but the eunuch may see that only the Brazilian striker had the speed, balance and confidence to score in the way he did - and would

Whole teams can be viewed either with dispassion or through the filter of presumed national characteristics, or a hit of both.

There seems a joyful instinctiveness to close order Brazilian passing that is as rhythmic as a samba but is offset by an anarchic disregard for authority. There is a flerce-

But the more-or-less neutral ness about the Bulgarian Stoichkov observer is free to conclude that no and the Romanian Hagi that last line of defence leaps higher, reflects their Balkan heritage, but also a creativity and leadership that bespeak hope, unfortunately still rather confined to the football field.

There was an ultimate sadness to the performances of Nigeria and Cameroon - so much talent, so little direction, that cannot entirely be divorced in the mind's eye from Africa's consuming problems. And if the Irish were just honest plodders, what else is new?

But there have been moments of individual brilliance transcending the merely national or the analyti-cal. Saeed Owairan's goal for Saudi Arabia against Belgium was storybook stuff for the ages, a few sec-onds of pure inspiration to be compared with anything wrought by Pelé and Maradona at their most magical, or Bobby Thomson's immortal homer of 1953, or Desert Orchid's last great race.

Like a hirdie on the 18th hole after a round of rubhish, it was the sort of moment that keeps you wanting to play or watch again and again, even a third division match on a wet Wednesday in Preston.

Honesty also requires a final confession: there is something about this sports writing which is a bit of a giggle. You can get away with free association, cliches and flights of fancy, all of which are ruthlessly and usually correctly - excised from just about every other form of newspaper reporting (apart from restaurant reviews).

You even dream about making Pseud's Corner in Private Eye,

secure in the knowledge that you will never qualify any other way. Not, as the power-that-be should know, that it is anything other than

a temporary addiction. Two forms of journalism probably constitute hell on earth - covering the White House full time and only writing about sports - but an intermittent hinge on one or the other has a curiously restorative effect.

So, if you want me after Pasa-dena, I'll be in Camden Yards in Baltimore watching Cal and the Orioles, or around the White House observing Bill and Hills fend off, or not, sliding tackles from mean Bob and the God squad's back four. For this alone, the World Cup deserves thanks.

You know the rest, or will by

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Golf/Derek Lawrenson

# Faldo struggles to assert his rights

Can the old guard be seen handing over to the new at the Open championship at Turnberry?

t was all so simple a few years ago. If the Open was held in Scotland then the winner would be Nick Faldo. It happened in 1987 at Muirfield, at St Andrews in 1990, and again at Muirfield two years ago. Faldo's right to be considered the

dominant player of the age was made in Scotland. It was to Scotland he once more.

He faced the most onerous task. The imperious aura with which he surrounded himself at the start of the decade has evaporated and the lesson of the past is that once gone, it rarely returns.

Think of Tom Watson, winner of five Opens between 1977 and 1984, hut none since. Think of Arnold Palmer, who won all his eight major championships in a similarly bountiful six-

Faldo also won two Masters in his five-year span of mastery that began in 1987 but what was also significant was the number of other opportunities that he gave himself to win.

From 1939 to 1992. Faldo never finished outside the top 20 in any major championship. Last year, he challenged Greg Norman every step of the way at Sandwich, before eventually settling for runner's up spot, and again at the USPGA championship, where he finished third.

But the old consistency was missing for the first time, with poor performances at the Masters where he finished 39th, and the US Open, where he tied for 72nd place. This year, it is

that trend that has continued.

Last month, Faldo missed the cut in the US Open, the first time he had suffered such ignominy in 28 major championships. He had gone to the event a week before it had been due to start - for this is the event, above

That rude awakening, though, was as nothing to what happened to Faldo on the first day here at Turnberry.

We all know Faldo's characteristics: examine every detail; leave nothing to chance. Faldo's first task for his caddie. Fanny Sunesson, after appointing her, was to send her to Florida for a fortnight to learn about his swing from his coach, David Leadbetter.

Faldo would be the last player, then, who you would expect to play a wrong hall, yet that is what he did on the 17th hole in the first round.
After hitting his drive into the

rough, he did not even check the ball's markings; he just went up to it, and hit it. It was the sort of error that would make a heginner blush, let alone the man whose philosophy towards the game is dictated by its

His 75 was the worst he has scored in an Open in relation to par since the last time the championship was played here in 1986. Faldo's playing partner in the first



two rounds was Ernie Els, and it was hard not to think of this as a meeting between the old guard and the new. It was the first time they had

played together since the young South African's win in the US Open. Els is just 24; Faldo will he 37 on Monday. Faldo is strong but Els stronger. At times at Turnberry on Thurs-day the latter was out-driving the for-

mer hy 40 yards. While Faldo went through all his fidgety routines. Els just stood up to the ball and hit it. Where Faldo was plagued by hesitancy and self-doubt on the greens, Els suffered no such problems.

Faldo believes his swing is better now than when he was lapping the field, but the results sheet betrays his remarks. At least it did until yesterday, when a second-round 66 deflected some of the anguish and was three shots hetter than his partner Els

For such a proud, intense man, the frustration of such inconsistency must be horrific and fully explains why he looks so miserable these days. His expression hardly changed at Turnberry - just this side of manic

It was hard not to come to the conclusion that the only thing Faldo has left on Els is experience and increasingly that it would prove no protec-

The mechanical nature of Faldo's swing contrasted sharply with Els's natural rhythm. Many believe that Faldo would be better off if he had six months away from the man he calls "Lead", his coach Leadbetter, whom he seems to consult about everything. A time to he Lead-free perhaps?

Faldo was left to hattle against missing the cut for the first time in an Open, which was hardly the contest he had in mind at the start of the

With yesterday's 66, Faldo at least has a platform. But what a critical weekend this is for him, and the odds are against the restoration of his pre-eminence, indeed, as he and Els shook hands on the 18th yesterday it was hard not to see the symbolism in this

A handshake to signal the exchange

# Sailing/Keith Wheatley

# C stands for seaworthy

Keith Wheatley draws up his own guide to top sailing events

omething about the letter C appears to bave seized bold of the sailing world -Cork Week, Commodore's Cup, Cowes Week - they all take place this month.

The letter C is about all these events have in common. however, marvellous though each of them is.

CORK WEEK Cork Week has been described as "a party with yachts". The organisers promise in the Notice of Race that no more than about three hours. thus leaving ample time for the festivities to re-convene in the marquees ashore.

in spite of its grand and authentic claim to be the world's oldest yacht clnb, the Royal Cork promotes Cork Week with almost teenage zest. The grounds of the RCYC, above the harbour at Crosshaven, are turned into a tented village with bars, shops and restaurants.

Nearly 400 boats turned np to race this week in 10 classes. making the Irish regatta one of Europe's largest, second only to Cowes in the number of entries.

The heatwave and light airs were a marked contrast to 1992 (the event is hi-annual) when rain and gales lashed down, requiring even more inner fortification.

Such conditions can be disastrous for the big racing machines that even their opponents want to see at full hlast. Yachts such as Richard Mathews' ex-America's Cup 12-metre Crusader, the Swan yachts Highland Fling VII
(Irving Laidlaw) and
Desperado (Richard Loftus)
had to wriggle through big
packs of smaller boats. Only the latter found enough of a lead to save its handicap.

Laidlaw has been a keen and successful competitor at the regular Swan regattas around Europe and has persuaded the Finnish yard to huild him the first fractionally-rigged Swan in

Highland Fling VII. Success on the water - two wins in the first three days indicates that other racing owners may soon be calling on Swan to vary the previously obligatory masthead rig.

Laidlaw's new boat made Desperado, 10ft longer and theoretically faster on handicap, look pedestrian.

THE COMMODORE'S CUP The Royal Ocean Racing Club created the inaugural Rolex Commodore's Cup two years ago. fts function was to let owners of non-Grand Prix production yachts compete for their country in an international competition. There was a widespread feeling that the Admiral'a Cup had become an entirely professional event, with ohlivion and penury likely for amateur competitors.

However, rivalry for places in the Commodore's Cup national teams has been so intense that one skipper suggested United Nations intervention.

competing, the US and Germany are bringing two three-boat teams. And the American crew whose Mnmm 36 Pias in Space was held to ransom in a Merseyside wharf dispute can confirm that dock strikes are not a slice of

history. Officially, England has but one team when racing begins on Wednesday. However, the Jersey team consists largely of top British big-boat sailors anxious to avoid the knife-fight of the selection process

Graham Walker's crack *Indulgence* heads the Channel Islands' effort, with the interesting Tram in support in her initial guise of an IOR one-tonner, Tram was better known as the King of Norway's yacht From XI, sunk so spectacularly last year hy Harold Cudmore during the Admiral's Cup.

Also competing is a Welsh team. A trio of yachts, Eagle, Integrity and Shogun, that just missed the England call-up tried to register as England-B. RORC polled the field but only England-A objected. So the owners scoured Welsh sailing clubs to make up a requisite 30 per cent crew on each boat of the appropriate nationality. Sheep carried as ballast

were ruled not to count, COWES WEEK As usual with Cowes Week, beginning on July 30, the sailing will be excellent while the onshore muddle continues Unfortunately, good on-the-water organisation is expensive. Without sponsorship, entry fees for an average 32ft yacht might

rise fcom around £250 to £750. This year's fairy godmother seemed to have arrived in the form of the Japanese-owned Aquascutum clothing

company.

But then at Easter, when
the £100,000 sponsorship deal was close to completion. Aquascutum's advisers discovered that Cowes Combined Clubs had sold the Japanese rights in the name Cowes Week a decade ago.

Exit Aquascutum. Lawyers began combing Greater Tokyo for the Mr Yamaguchi who owns the trademark purchased in perpetuity, it seems, for the princely sum of £1,000.

However, in the nick of time the taxpayer rode to the rescne. Medina borough council came up with a £100,000 financial package to support Cowes Week. MBC said in its announcement that the regatta hoonght in £6m to the island during the eight-day event, in a struggling local economy where 25 per cent of jobs depended on tourism.

Residents steeped in local government cynicism observed that since the council was shortly to disappear in a reorganisation that will bring a unitary anthority to the Isle of Wight, the grant to the yachties might be seen as a last carefree fling with the chequebook by councillors who will not have to go hack and face the electorate.

### Motoring/Stuart Marshall

# Topless in country lanes

mery weeks in southeast England, there have only heen two kinds of car: those with airconditioning or the others in which you feel sticky aud uncomfortable, especially in motorway jams. But what about convertibles.

you ask. Certainly, they are an alternative, although I am not sure sitting in the sun for several hours at a time is a good idea. The rush of wind masks the heat and makes you forget the risks of over-exposure. For these reasons, convertibles are none too popular in really hot

Still, I have to admit that driving topless through English lanes on a moderately hot day can be very pleasant.

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countryside (well, some of them; others are best avoided) and feel more in touch with your surroundings. Just remember to cover your head and use sun block on bare

Not for years has there been such a wide choice of convertibles at prices ranging from modest to mind-hlowing. It depends if your fancy is the Fiat Punto 90 ELX Cahrio, just arrived in British showrooms at £12,995, or a £166.681 Rolls-Royce Corniche IV. Like the Punto 55 hatchback

(this column, July 4), the Cabrio scored a hit with me. For a car that opens, the body feels reassuringly stiff on lessthan-perfect roads. Dropping one wheel into a pot-hole makes the fascia creak momentarily and the side windows tremble, but no more than it would in any other car lacking a steel roof. At all other times, it is agreeably taut.

Windscreen pillars with strong reinforcing enable the Cabrio to pass the US test which assesses the ability of cars to protect their occupants should they roll over - even pulsory for soft-tops in that

country.

Remarkahly, for such an affordable car, the Cabrio has a power-operated hood. Undo two clips at the top of the windscreen, make sure the handbrake is on, press a but-ton and the hood folds into the rear deck.

Not for years has there been such a wide choice of convertibles

It does not lie quite flat - as it does in the delicious but far costlier (£17,700) Peugeot 306 convertible - but an easilyattached loose cover, which lives in the rather pokey little boot, makes an open Cahrio look neat. The rear seats are hahitable by two average adults.

The Cahrio is not just a fair-weather car, either: the three-layer hood fits snngly when up, although the flexible rear window has no demister.

inside as a larger-windowed three-door Punto hatchback.

Power steering, engine immobiliser, fuel-flow stop valve and electric front windows are standard. Radio controls are huilt into the steering wheel, unless you decide to have a driver's-side airbag as an optional extra.

The 1.6-litre, 88-horsepower engine is new and will be appearing in other Fiats in due course. Already, it meets Euro-pean Union emission requirements that will not come into force for several years. It pulls hard at low revolutions or spins freely up to a boy racer's red-lined 6,500rpm,

The five-speed gearbox shifts easily and the Cahrio feels quite lively. Fiat claims a top speed of 105mph (170kph) and savs a kilometre is covered in 34 seconds from a standing start. Fuel consumption should be 33mpg (8.56 l/100km).

Two other versions of the Punto that also are new to Britain are the 55 EL six-speed and the 60 SX Selecta. The Selecta has a continuously variable transmission which provides the easy driving bene-



fits of a conventional automatic without its cost and complication, Price: £8,449.

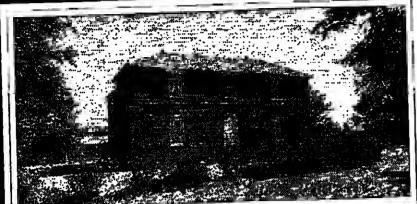
As for the six-speed 55, it is really an Italian market spe-cial. There, newly-qualified

restricted to cars with a low power-to-weight ratio. The idea of the 55 EL six-speed is that it allows them to stir the gear lever and indulge their fantasies without breaking laws or drivers are, very sensibly, going too quickly.

There is no such law in Britain, although the insurance industry exerts a moderating influence. But 1 did not much like the 55 EL, not least because it is geared lower in sixth than the normal 55 in fifth. Unless you have a fixation about gear levers, my advice would be to go for a standard 55 S at £6.780. That would save you £539 - and a lot of unnecessary gear shift-

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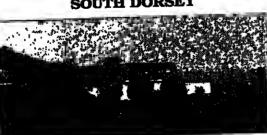
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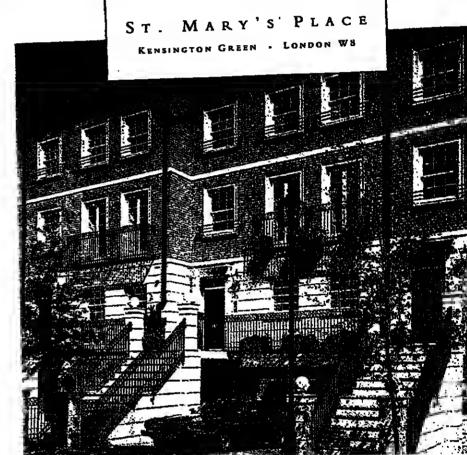
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# When home is just a short iron away

So golf is your religion and heaven is living near your local course? Gerald Cadogan examines the possibilities

to know about the nearest course and how good it is. It follows that the best way to find out is for them to take their clubs and play 18 holes - as an essential part of househunting.

As they watch the 123rd Open championship at Turnberry in scuth-west Scotland this weekend, they can dream of owning a house within a chipping wedge of any of the venues where the Open is played. Or any course, for that mat-

A more costly option is actually to buy a working course, or acquire a greenfield site with planning per-mission for a course and develop it. with real money might even

een golfers moving Parker, says the market for working Pryor agrees. Only prime sites are house always want courses has stabilised following the likely to achieve a top premium of property boom of 1988-89 and the quent fall.

As for new courses, planning applications in the south-east were, by 1993, more than 60 per cent down from their peak in 1990-91 - but 46 per cent of these were granted, compared with 25 per cent in 1991.

The change has come about because land-owners, developers and local planners have become stricter in assessing the earnings potential of a course and its impact on the community and environ-ment. The banks, which lost large amounts in funding grandiose schemes, are more circumspect too. Today, planning permission for a

golf course does not provide an automatic premium over agricultural value, says Jim Bryant, of Bid-wells' leisure team. Gone are the



over £20 a round.) For two similar sites - beside the

through Stags at £395,000. According to Tom Marriott, of Humberts Leisure, pay-and-play courses and commercial clubs are taking over from the traditional pri-

£1,000 an acre - which equates to a total price per acre of about £3,000. That sort of figure is reflected in

the £350,000 being asked by Savills of Banbury for a 121-acre site with permission for an 18-hole pay-and-play course at Cadmore End, near High Wycombe in Buckinghamshire. It is close to the M40, and 630,000 people live within 30 minutes' drive. A pay-and-play alterna-tive nearby has a long waiting list. and Wycombe district council

accepts there is continuing demand. Strutt & Parker estimates that, at the end of 1993, there was an 18-hole course for every 15,332 people in south-east England (if those with planning consent are included). This is half the pre-1969 ratio of one existing course for every 31,555 peo ple but, says the agent, not all the consents will be taken up.

County ratios vary widely.
Oxfordshire offers one course for every 21,267 people, Buckingham-shire 1:10,230 and Surrey 1:9,550 (using the total of existing and agreed courses). Developing a greenfield site can

cost up to film, depending on the design and terrain. But it could be two years before members join and the cash starts to come in.

At Cadmore End, the estimate for development costs is between £800,000 and £750,000 (to include a 4,000 sq ft clubhouse). In the first full year, the agent expects 35,000 rounds at, say, £10 apiece on week-days and £15 at the weekend, plus club fees for 850 members. (At many courses, non-members can pay well

A27 at Lancing in West Sussex, and at Welton near Lincoin - Clegg Kennedy Drew is waiting for buyers to suggest a price. In Devon, though, a site on the Kingshridge estuary - now a farm with a five-hedroom house - is on offer

vate member clubs. Ten years ago, they made up only 10-20 per cent of all courses; now, Marriott estimates,



For £390,000-pks: Broomfield, a substantial Victorian house near the Rosemount course in Perthabling

they total 30-40 per cent. He says most courses appear to be trading reasonably; only a few are put on the market by receivers.

If the course operates on a lease hold - as many do - the ground rent and its review date are impor-tant factors for potential huyers (£300-£400 an acre is the figure now, says Bryant). One working leasehold course, on offer from Humberts or the Glasgow agent Ryden, is Brunston Castle near Turnberry. It was designed by Donald Steel around the Water of Girvan that flows through the middle, with space for houses, chalets and a hotel. Offers of more than £1m are

For £900,000, Humberts is also selling the Mid-Dorset club in lovely downlands at Blandford Forum (its thatched farmhouse is extra) and (with Strutt & Parker) is asking £1.75m for Woodbury Park near Exeter, with 27 holes. Designed by

Hamilton Stutt, of Turnberry fame, it has been working oo a pay-and-play basis and still awaits a proper

chibhouse - perhaps even a hotel. So you would like a house adjoining a fairway? One such is Little Mingary, by the 15th at Worplesdon in Surrey (Browns, £400,000). Then there is Gullane (from Rettie, offers over \$265,000) by the 1st at the famous Muirfield course outside Edinburgh which celebrated its 250th anniversary last weekend.

little further oorth are an apartment at Gleneagles, site of the recent Scottish Open (Bidwells, £180,000), and Broomfield, a substantial Edwardian house on Golf Course Road leading to the Rose-mount course in Perthsbire (Savills in Brechin, offers over £390,000). Chuttons in Ayr has a few houses well placed for the Turnberry. West

Kilbride and Royal Troon courses at

prices from £85,000 to £250,000 ~ quite cheap by southern standards. In Surrey, apartments for sale between £190,000 and £250,000 on

the Pyrford course include lifetime membership of the club; Curchods is the agent, John D. Wood offers two houses in Coombe Park, King-ston npon Thames, beside the Coombe Hill course, for £535,000 or The ultimate must be a course of your own, as at Sundial House near

Farnham, Surrey. Apart from its nine holes, the owners have built a go-kart track in 13.5 acres. Offers over £800,000 are sought (down from over £900,000) through Hamptons or Knight Frank & Rutley, Another with its own course is Great Swifts at Crambrook, Kent, a 1930s' Georgian-style mansion for which Lane Fox set a guide price of £950,000. Offers came in at more than film. Finally, an agent near Turnberry said this week: "The whole of south

Ayrshire is off oo holiday." That is because householders who are pre-pared to surrender their four-bedroom homes to Opeo competitors or fans can demand £2,000-£3,000 for a nine-day let. And if the house is really big, they can charge well over £1,000 a day.

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# Beekeeping/Gerry Northam Fagin and his raiders

when I start to feel like Fagin, sending my young apprentices on raids all over town. and rubbing my hands as they return to the den with their

The hives are filling up with honey as my thousands upon thousands of little Artful Dodgers and Olivia Twists fly back and forth across a three-mile radius sucking nectar from flowers and race back to share it (if unwittingly) with me.

The speed with which they work is breathtaking. Three weeks ago, before the main nectar flow, I added a lightweight cedar box to the top storey of each hive, filled with empty frames to hold the hon-

Today, I find it a struggle to lift, weighed down as it is with the dense pale honies from various flowers which have been crammed into it.

They are fairly well mixed, hut you can find pockets of particular flavours, the best of them, to my taste, being the delicate nutty sweetness of the hawthorn.

The making of boneycomh is as fascinating as the filling of it and is proving particularly poignant to watch this year against the backdrop of a nine-ecre building site which we now overlook from our garden. Huge stores of stone, wood and tile have been trucked on to the former school grounds,

while inside the hives, with no fuss, no materials and no machinery, the bees are building too. Beginning with the empty wooden frames, the apian workers first find a true verti-

cal by making e plumb-line of their own bodies. They have had an instinct for doing this in holes and hollow trees for millions of years.

Twenty or so of them hang in a chain holding leg to leg while the wax-makers and labourers move in to begin

Cell by cell the hexagonal structure is created in symme-

his is the time of year try, on either side like a mir ror-image until it perfectly fills the frame, each cell smoothed and polished just a fraction longer than e worker bee and built sloping upwards at a few degrees to the horizontal to keep the honey from dripping

> For added strength, the pat tern of cells is offset so that the centres of the hexagons on one side key the corners on the

Using nothing but their own secretions, the workers build enough comb in a week to hold 35lbs of honey - many times their total hody weight.
As a collective display of

skill, it must rival building Manhattan out of your own eyelashes. The bees approach this project with such dedica-tion that it is usually safe to lift the roof to watch them at work and wonder how each tiny hrain can possibly hold so much instinct

They do not disturb easily, since time is short in the weeks of the honey-flow and the colony's survival in the coming year will depend on building sufficient stores. The mood of their energetic huzzing is now diligent rather than

If they do seem tetchy on first opening the hive, it may mean that they are agitated about running short of space to huild yet more boneycomb. which they recognise as a dangerous condition. The wise apiarist will take care to recognise this too, before rioting breaks

Once filled, each hexagonal cell is capped with a thin air-tight lid of wax to preserve the boney for the winter. But it is at this moment that

Fagin robs his own apprentices of their bounty. There are reports of sealed honey lasting for years - even

I rely on printed wisdom for that, since in our house we are lucky if a piece of hooeycomb lasts a week before it is per

very year, I vow to go to look, not to shop, and I end up lop-sided with bags of plants. Last weekend, the crowds poured into the Hampton Court Flower Show; marvellous rubbish was changing hands in the craft village; wooden trellis was being booked up by the 100 metres; after two hours, most of us thought of joining the stand called Glazed Additions because it matched the look on

Remember that the British like shopping somewhere other than the high street. At horse shows, they want to huy suede and leather; at dog shows, I have seen them huying carpet; at flower shows, they will buy anything in frames or blue and white number-plates to give a French look to the front of the

Hampton Court strives hard to show flowers under canvas and, this year, the sweet peas, half-hardy perennials and the horder plants from Bressingham were up to Chelsea standards. But if anyone thinks that it is the new Chelsea of the future, they are horticulturally impoverished.

There were some hreve exceptions but the sponsored theme tent for international gardens led to the inevitable attempt to do too much in e too small, publicity-centred space: how could anyone believe that they were being shown the essential art of Italy and its great former garden et La Mortola in a confined space under canvas, even allowing for the awkward fact that its Italian committee of university inheritors are widely agreed to have ruined the style of La Mortola and its English origins anvwav?

The Royal Horticultural Society has taken the Hampton show under its care after previous confusions in the partnership with Network SouthEast. The nursery exhibits seldom have the scale or combined impact of Chelsea's main tent and the outdoor gardens are on the lower end of Chelsea's very low scale

The supreme distinction of Hampton Court is the scope for shopping. I fear that it may dent Chelsea - bnt only because it occupies different centuries - in perfect condiground. Once you allow the public to shop on it, they will career downmarket like Gadarece swine. As Gadarene as the best of them, I think I have evoided pigs in a poke.



# Where have all the shops gone?

.. gone to flower shows every one. When will they ever learn? asks Robin Lane Fox

years of bagging and buying at Hampton Court, my garden wears a new look, It is at this show that I really appreciate the strength of the oew Alstroemerias, which have been steadily produced by Peter Smith, of Chanctonbury Nurseries, Ashington, West Sussex. This weekend sees their lesser relations, the old Peruvian lilies and Ligtu forms,

just ending their bandsome

season of flower. Peter Smith's new varieties will continue for months and some of the best are unarguably hardy. There is no disputing the strength and hardiness of its Little Princess forms, which flower at a height of about a foot, last for weeks and have the exquisite markings which you find on their cousins in florists' shops.

Many gardeners rightly hate novelties and mini-plants but I do urge you to try these splen-did innovations where you have a sunny bed and a light, open soil. They are extremely easy, although they disappear below ground in late autumn: I doubt if half-hearted gardeners could kill them.

Dodging the conservatories and wrought iron, I always head for the conservation tent. where the plants are more unusual and the crowds are less frantic. Here, too, I have

The best exhibits are backed by the National Conservation of Plants and Gardens Collections, which aims to conserve a wide range of varieties in major families of use to the gardener. This year's exhibit of the new Day Lilies made me wonder whether anyone will

Much of the breeding seems to be stuck with the search for

ever-hotter colours and smaller stems: the orange-yellow Stella D'Oro has turned out to be a shocker, as many of us verified when walking past the rather dreary plantings in the gardens of Hampton Court Palace However, the pale yellow

Giant Moon has real class and I am glad of its cool colour and vigour in the front to middle row of a border. I made positive notes on Michelle Coe, a tall, pale peach, and Chicago are in softer colours than many of the newest breaks. The moral of all this study is

that we should never risk buying a new Day Lily blind: the strength of colouring can be most misleading. The effort to find the best is worthwhile because these plants really do block out weeds and last for years without attention.

my essential answer to gardening without effort in shade or any difficult soil: the matchless Geranium endressii.

I rank them second only to

Hampton Court has also

conserve most of them in 50 alerted me to a new trick: the special merit of the new Wageningen variety, the flowers of which are a particularly clear and strong pink. If you have a

choice, opt for it first. At Hampton, I feel more in the mood for Ceanothus than at Chelsea, when their season is not far advanced. Specialists allow us to compare a wide range, some of them new from west America or the Antipodes. They are also prepared to discuss the difficult question of hardiness, the fact which rules

out most of the best. I return to the strong blue of Concha and also Edinburgh, neither of which is entirely trustworthy in a serious winter. They grow so fast that they are worth a gamble anywhere but I continue to be most thankful for one of the commonest forms.

The sky-blue Gloire de Versailles will grow anywhere on well-drained soil. It is at its absolute best in hig Hampshire gardens from this weekend onwards, where it stands among old roses as a free shruh in its own right. It picks up the show this weekend when the roses are fading and, after four winters with me, it has shown no serious loss, Each spring, pruning should be light. Impatient gardeners would love it as a filling between slower plants in a new garden wherever there is warmth and sheller.

Lastly, the return of an old favourite. Our grandfathers grew lots of the tall, lemonyellow daisies of Anthemis Wargrave throughout their herbaceous borders, but the mad keen gardeners of the 1970s managed to lose most of the stock. Three years ago, thought I had found it but it turned out to be the shorter. and more vivid, Anthemis EC it in common nurserles. Did no one remember the height and paleness of the true daisies which were upheld in Iron

plant-hoops in my early years? At Hampton Court, the real Wargrave surfaced - alive and well at £3 a plant from Rushfields, of Ross Road, Ledbury, Herefordshire. Rushfields expert at staging displays of the softer colours among border plants and last week it confirmed that Wargrave was still in good supply. I left Hampton Court reunited with this long-

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### FT Ski Expedition/Arnie Wilson Broken finger, broken vehicle

Arnie Wilson and Lucy Dicker are trying to ski every day of 1994 on a round-the-world expedition. They are now near the Chile-Argentina border.

s we swooped low over the smouldering furnace in the crater of the Villarrica volcano, a huge swirling cloud of sulphurous smoke billowed towards us: our Cessna felt as vulnerable as a model aircraft made of balsa wood

We circled the crater four or five times until, in a near trance-like state we seemed to be on the verge of being sucked into it. But Robert Stanton, our pilot, had flown over this volcano many times and was as cool as Biggles.

Stanton had flown south to meet us to deliver essential documents to enable us to cross the border from Chile into Argentina in the fourwheel-drive Lada vehicle we had borrowed from blm. Before flying home, he offered to take us for e buzz over Vil-

This was infinitely more exciting than experiencing the volcano on skis: like so many Chilean ski areas, Villarrica's skiing was severely restricted by lack of snow,

Ski resorts in the Chilean Lake District receive considerable moisture in their snow from winds blowing across the lakes. Lift towers can become so encrusted with ice from freezing rain blowing in from Lake Villarrica that the weight can bring them down.

The wind was especially vio lent during our last morning there: the door of the Lada hit my hand with such force that my middle finger is now in a splint, feared broken.

Ronald Turner, the general manager at the Clnh Esqui Andino in Antillanca, surveyed his resort and said: These winds make it impossible to operate the lifts. This is rather a disastrous start to the season which is short enough at the best of times." When at last the winds

dropped we were able to ski Antillanca at will, floating, cruising and drifting down rippling gullies and around huge craters, marvelling et the most spectacular scenery we have seen in Chile so far: the hizarrely beautiful Puntiagudo almost shoulder to shoulder with the Fuji-like Osorno volcano; and the triple-peaked Mount Tronador.

But our elation evaporated as our adopted vehicle broke down in the middle of the night in the wilderness. Fortunately, elthough we were miles from a village, we were close to a Chilean border post. The border post is kept at the ready in case of tensions with Argentina, and horses

are best suited to this mountain terrain. We had been rescued by the Chilean cavalry. Beiog rescued on horseback would bave been more drametic, but the cavalry hed transport to get the Financial Times expedition to safe quarters, to ponder how we were to cross into Argentina with a

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Lunch with the FT

# The appeal of a celebrity lawyer

Christina Lamb meets Alan Dershowitz, controversial advocate to a string of famous clients

t first sight the Harvest restaurant in a small alley near Harvard University offers little of note beyond some colourful murals depicting a swirling mass of fruit and vegetables. Lunching there with Harvard law professor Alan Dershowitz. however, it takes on a whole new complexion.

Often described as America's most controvarsial lawyer. Dershowitz has handled a succession of high profile appeals for famous felons. His celehrity clients include junk-bond king Michael Millken, tax-evading New York boteliar Leona Helmsley, and former boxing champion Mike Tyson. And he brings all of them to lunch at the Harvest. "This place holds a lot of memories," he told me. "I was here last week with Mia Farrow. I'va eaten frequently with Claus von Bulow at thet table over there and

this one with Mike Millken." Today ha has arrived late and slightly breathless from working on the appeal to reduce Tyson's sentence. Full of energy in a nervy Woody Allenesque way, his mop of curly red hair and casual dress make him look younger than his 54 years and surprisingly undaunting for a ruthless superlawyer said to be capable of securing a suspended sentence for Jack the Ripper.

Though he describes himself as

an agnostic, he is so proud of his Jewish Identity and Orthodox upbringing in Brooklyn that he wrote a best-selling book about it called Chutzpah. In his house he has a framed piece of barbed wire from Auschwitz as well as paintings from the Jewish ghetto, and he checks on the ingredients before ordering vegetable soup followed by anchovy tart with chicory and fennel salad.

"It's very difficult to get good kosher food around Harvard," he complains. "I got so fed up that I actually started my own dell it was very popular among students hot we were losing \$2 a sandwich so had to close down."

Fiendishly hright, It is surprising to learn that in his teenage years he was regarded as a troublemaker and academic failure. Having just squeaked into Brooklyn College, he discovered his true calling in law, going on to Yale where he graduated first in his class. At 28 he was appointed tenured professor at Harvard - the youngest in the Law School's history - and became an appellate lawyer because he says, "it fits in best with my teaching

His reputation as a lawyer of last resort began as defence for a series of controversial characters from porn stars to Soviet dissidents. In 1982 he hit the headlines after Claus von Bülow hired him to overturn a



to murder his wife Sunny with insulin injections. The call came on April Fools' Day and initially Dershowitz did not believe it was really von Bülow. Warning him: "I'm not a hired gun", he put together a team of his best students and secured a reversal of the conviction on a technicality. Reversal of Fortune, Dershowitz's book on the case, became a successful film.

It was seeing the movie that made Lori Millken decide that he was just the man to help her husband, former head of high yield securities for Drexel Surnham Lambert, who had been sentenced to 10 years after pleading guilty to violating federal security laws.

Dershowitz seems to relish being seen as the St Jude of legal lost causes: "It's a great challenge to be the last stop before the gas chamber. The justice system is only as good as it is toward the worst per-

l ask if he deliberately chooses guilty clients. He replies: "Every lawyer prefers innocent clients but there are just not that many innocent guys around.

Does it makes any difference whether they are guilty as to your chances of getting them off? "It didn't use to. You could

always get people off on a technical-ity or constitutional hitch. Now it's not so easy." In one of his books he wrote

about a recurring nightmare in which Josef Mengele asked him to be his lawyer. I ask if he would feel bad about getting a murderer let loose in society.

He smiles: "Court cases are not so hlack and white as portrayed on TV or in movies. In the Mike Tyson

case the girl claims she got on top of him in order to escape. But she didn't say that at the time." Surely, though, he must form an opinion about a client's innocence.

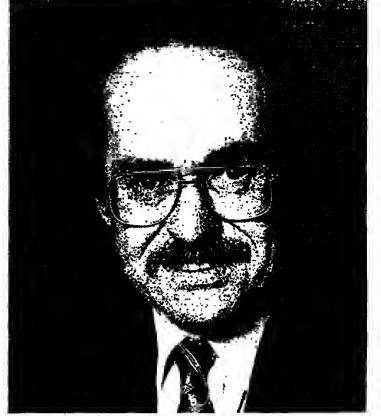
"Yes, I do," be says, intriguingly. "Yon Bülow I'm absolutely convinced is innocent. But you never know. I remember when we got some forensic evidenca in his favour and I said to him 'Now I know you're innocent'. Claus smiled and said 'Alan, yon don't know. Only two people in the world know

that - me and Sumny, and she's in a

As Dershowitz makes no secret of his dislike of the Establishment, l wonder if he likes the people he represents. "Yes," he replies "Tm close friends with von Bülow, Millken is really sweet." He does not feel the same about Leona Heimsley: "She's bitchy, and I use the word advisedly. But that's why l liked defending her. I felt she was being punished for how she is, like a female Donald Trump, qualities that in a man may have been admired."

Reward comes in the shape of fat fees - about \$450 an hour - much of which goes on his art collection. But Dershowitz claims his most gratifying case was thet of Soviet dissident Anatoly Shcharansky, which he worked on unpaid for nine years to free him from prison. Why? "Our ancestors came from the same part of what is now Ukraine."

He gets hundreds of requests each week from potential clients. "Every case you see in the media comes across my desk," he says, "but I'm lucky because I have a full-time career as professor so can pick and choose. I try to do precedent-setting things which will be useful in class. I wanted Tyson because date rape is a cutting-edge issue. Along with abuse it's one of the least reported and most falsely reported crimes." Dershowitz has a new book about



to be published - The Abuse Excuse and he is completing a novel. The Advocate's Devil, as well as a sequel to Chutzpah. He says: "There's nothing I like better than silting in my study writing and listening to

opera, with Ella this four-year-old daughter] playing on the floor. He even has spare time, in which he is writing an opera. "My secretary calculates I write one million

if he is a publicity junkie. "I use it as a tool," he replies. "Usually, when I come into a case my clients are getting a very bad press, so I try to get them portrayed in a better

Some would say you are the one getting all the publicity. He laughs. "The one person I can not defend is myself."

In the Weekend FT last month, Professor John Postgate posed the question: 'Religion: are we better off without it?' Here Hugh Dickinson, the Dean of Salisbury, gives his reply.

"The age-old dispute between science and religion has resurfaced. But science has the moral high ground." - Professor Postgate

ha clarion call by Professor Postgate in defence of science sounds a hit like a narvous Roman legate warning his troops of impending rebellion by wild Ger-manic tribes across the Rhine. He pletures a rational scientific elite having to defend itself against repeated onslaughts of religious fanatics.

But is it really like that? This is not the first article in the FT hy a contemporary scientist expressing a sense that "science" or scientists are somehow beleaguered or under threat, and attribute that threat to the malign influence of "religion", specifically Christianity and Islam.

Postgate devotes much space to the fruitless game of balancing the profit and loss accounts of religion and science - a sort of tit-for-tat of "you've done nastier things than we have". The enterprise is naive and pointless unless he defines what he means hy "science" and "religion".

Both are complex, pluriform concepts, not single unitary entities. "Science" stretches all the way from the abstractions of theoretical physics through the Cern cyclotron, via molecular hiology, keyhole surgery, ceramic saucepans, and on to the hill farmer using the latest herbicide sold to him by the agri-chemical multi-

"Religion", likewise. stretches from human sacrifice in the Amazon basin through the sack of Constantinople, the prophet Mohammed, Giotto, George Herbert, Salisbury Cathedral, Francis of Assisi, Lord Shaftesbury

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and the Sermon on the Mount. Both religion and science (in that general sense) do have dark episodes and great achievements; both have a history of terrible distortions. But unless religion is fundamentalist and science positivist and systematically reductionist, there is no necessary collision. It is cheap to accuse the many first-class scientists who also have deep religious conviction of keeping their minds in two water-tight compartments. The innuendo of intellec-

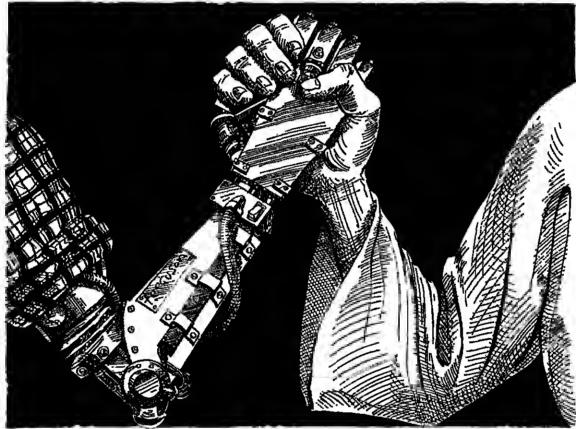
tual dishonesty is inescapable. Science and religion occupy different realms of discourse, each with its

here are many kinds

of foreign correspon-

dent. There are those

# The real reasons why science is under attack



distinctive appropriate language. Religion is about meanings, purposes and valnes; science about physical phenomena and their relationships. Religion is about the quality of things, people and experiences; science is about enumeration, measurement and quantity. The most profound human experiences cannot be measured or enumerated, and the integrity required for honest measurement is only one segment of a broad spectrum of moral imperatives naeded hy human society. Alone, it offers no spe-

cially high ground. But there are two issues raised by Postgate which are of real interest. Why is there a widespread distrust of "science"? And what kind of morality

can "science" offer humanity? The distrust of science is not generated by religion - it is far too widespread for fundamentalist hostility alone to account for it. Admittedly there are fundamentalist groups in all religions whose authoritarian hold over their adherents is threatened hy a modern understanding of the universe. But the upease about "science" is a deeply felt anxiety in secular soci-

ety at large. It arises from the fact that applied science is not value neutral - it has immense economic and political and environmental consequences. The public knows that "science" is an often ambivalent benefactor - like the Greeks bringing gifts, its contribution to the welfare of society is not always

ore sinister, who pays for science - who calls the tune? Scientists must be paid by somesold their objective independence in governments, multinational corporations or interest groups. They are happy to be called as witness on oppo-

site sides of public inquiries - who are wa to believe? Of course, pure scientists are not like that - they are as pure as the driven snow. Except that, for the layman, it is hard to understand how one

generation's heresies become the orthodoxy of the next - plate tectonlcs, for example,

The trouble is that the general public does not see the pure scientist at work in his beautiful ivory laboratory of moral integrity - it sees the results down the line: the expariments on embryos, the extravagantly expensive high-tech surgery, the environmental consequences of Chernohyl, the genetic engineering, the astonishing array of lethal substances designed to kill or maim. It sees Hiroshima. And, quite simply, it is scared stiff because it feels the whole huge techno-scientific machine is out of control, and that the global environment is going

to be damaged irreparably.

Of course, it is not fair. That is not what real science is about. I know that. You know that. But if Postgate is really wanting to know why science is under attack, it is more to do with the loss of butterflies from toxic spray than from fanatical Christians rejecting a scientific world view, I owe my life - twice - to modern medical sci-

ence. No complaints there. More intriguing, to my mind, is the issue of moral superiority. Let us turn the question round. Can science offer humanity a moral code to live by? The scientific method of meticulous observation and controlled experi-ment, from which human factors are excluded as far as possible, does require qualities of integrity and truthfulness of a high order.

But science can never tell us the value of anything. What is the moral status of the human foetus? is life sacred? Should we act with altruism? Why is Remhrandt so important? What has King Lear to tell us about the human condition? Why has Jesus of Nazareth won the hearts and lives of so many people? Why is it important to care for grossly handicapped children? Is eugenics as a political programme morally wrong?

All those questions, and many more like them, cannot be addressed by pure science - nor are Fellows of the Royal Society better qualified to address them than moral philosophers, historians or theologians. Yet, these are the kind of religious ques-tions which we have to address if we are to set out to live the good life or create a humane society.

Science has often tried to dismiss systematic reductionism with an arrogance which itself has, in the past, been cause enough for an instinctive distrust in the non-scientific community. But it seems to me that more and more scientists are now open to a new awareness of the boundaries and limitations of their own discipline's contribution to human wisdom. There is nothing like a bit of chaos to teach

us humility. Science at its best is - or can be the paragon of intellectual integrity proclaimed by Postgate. But religion also has its better aspects. Should not an objective scientist list and acknowledge them - and gladly? is

that not part of his moral integrity? Would the extraordinary shift of power from white to black majority in South Africa have taken place with such astonishing speed and calm if the Christian churches, and the values of reconciliation and multi-racial community which they preached, had not been a constant and pervasive influence in the leadership for 50 years? They, at least, would not have been better off without that moderating moral influence.

The backlash against scienca where it really exists - is a genuinely worrying feature of a secular society increasingly prone to mystical imag-inings from a world of fantasy, science fiction and New Age gurus. But it must be equally worrying to the thoughtful Christian, for whom the rational pursuit of truth is just as important as it is for the FRS. And it is worth noting that some Fellows are also thoughtful Christians. The Nature of Things

# Let there be light

everyday materials give out light without heating them? Scientists have recently produced two new solutions in the form of plastics and sillcon that glow when an electric voltage is applied. Both have immen

cial potential. Light-emitting plastics could make paper-thin screens for televisions and computers. These would be far tougher and more adaptable than either the cathode ray tubes used for conventional televisions or the new generation of liquid crystal displays. Light emission from silicon,

the main material of electronic industry, could lead the way to the super-fast optical proces-sors that have been a dream of the compoter industry for a long time. Such devices, running on photons (pulses of light), would be much more efficient and compact than the present generation of comput-ers which use electrons (pulses of electricity) to process data. UK researchers have played

leading part in hoth advances. Leigh Canham and colleagues at the Defeoce Research Agency, Malvern, discovered how to make silicon glow. Richard Friend, Andrew Holmes and other scientists at Cambridge University have led the development of light-emitting plastics.

Both groups have taken out strong patent protection, and the Cambridge scientists have set up a company, Cambridge Display Technology. If the discoveries live up to expectation, they will bring in significant royalty Income; hnt there seems little chance that what remains of the UK electronics industry will be able to make either plastic displays or optical computers on a large scale for world markets.

The common factor behind the two developments is a new understanding of the way electrons behave on what scientists call the nano-scale. (Its name comes from the nanoto a millionth of a millimetre.) The trick is to construct spe-cial conditions under which electrons release energy as light, rather than the usnal heat.

Leigh Canham's process for making light-emitting silicon is deceptivaly simple. He treats a conventional silicon wafer, used for making chips, with highly corrosive hydrofluoric acid. This eats away more than 80 per cent of the material.

The porous silicon sponge left behind is, in effect, a web of extremely fine silicon wires. each 70,000 times thinner than a human hair. When electricity passes through such thin wires, some of the electrons lose energy by emitting visible light. The colour of the radiation varies with the thickness of the silicon.

Canham explains: "The conventional semiconductor industry uses lithngraphic equipment costing millions of pounds. Our structures can be made in a hucket. It is really cheap and fast to process sili-

ow do you make con wafers in this way." Even so, there are several essential production tricks - for example, how to prevent the silicon sponge collapsing as the acid dries - which would not be obvious to an imitator with a

bucket of hydrofinoric acid. Until now, researchers have had to use more complex and expensive materials, such as gallium arsenlde, as light sources for experiments in optical computiog. If silicon itself can give off light reliably and, despite the progress so far, this has yet to be proved -then the outlook for opto-electronics will be far hrighter.

Although optical computers are, potentially, the most ham says light-emitting silicon could also lead to a new display technology, particularly for high-resolution screens connected directly to silicon circuitry. It could then be competing with the new light emitting plastics.

These are a development from the electrically conducting plastics discovered in the

> Clive Cookson reports on a British breakthrough

1970s. When you apply a voltage to ordinary plastics, nothing happens. But they can carry electricity like a metal if they have a special molecular structure in which mobile electrons can run along the long polymer chains.

The Cambridge group first achieved light emission in 1990 by sandwiching a conducting plastic, PPV, between oppositely charged electrodes. The positive terminal removes electrons - which is equivalent to pumping positively charged "holes" into the plastic. When electrons from the negative electrode fall into these holes, they give off energy in the form of photons. Ovar the past four years, the Cambridge scientists and their

main competitors at the University of California have manipulated the structure of their light-emitting plastics to improve their efficiency - now at 4 per cent, compared with 10 per cent for an ordinary light bulh - and tune their wave-lengths to give a range of colours. The main problem still to overcome is that PPV and its derivatives break down and stop glowing with long-term use.

Although the scientists do not understand fully the reasons for this instability, they are confident it can be overcome. And just as porous silicon could encroach on the main potential market for plastics - displays - the converse is also possible. If the plastics can be made compatihie with integrated circuits, they will be potential light sources for optical computers. So, a photo-finish is likely early next century in the race between light-emitting silicon

and plastic to achieve large-

As They Say in Europe / James Morgan

# Faking a grand occasion

who say, in effect: Dreadful things go on here hut I'm going to do my best to tell the story straight." Such people, those who divorce themselves from their own prejudices, were found in Johanneshurg yesterday and envied joh among German forare in Beljing today. eign correspondents.

Then, there are those who try to convince their readers that their patch is not only important but also diverting. however harsh and unattractive it might seem - Moscow or Tokyo for example.

Another group, which I call the "Paris Cluh", attempts to combat long-held prejudices back home. Its memhers recount, all too often, how well the French do things ("The-metro-runs-on-time" is a favoured theme). In Bonn, meanwhile, the foreign press corps does its best to make Germany exciting - and usu-

Which hrings us to the

Frankfurter Allgemeine's man in Rome, Heinz Joachim Fischer. He has the most

Italy provides the nearest thing to the German idea of paradise on earth. Fischer, however, rarely succumbs to the country's charms and, in fact, finds it rather objectionable. But he is always a good read, and a must for anyone seeking to come to grips with the Italy of today.

Fiacher's curtain-raiser before last week's summit in Naples reflected perfectly his approach, an amalgam of eruditioo and contempt. He noted how lucky it was that reports of parliamentary investigations did not get read. For, if they were, the seven leaders might have thought twice about holding a summit in Naples.

The report produced last December on the workings of the Neapolitan Camorra made the Mafia seem like a Rotary Club. The Naples region produces twice the national average of murders, more than twice the number of officials driven from office as in Sicily. and an industrial structure based on fraud and corruption. Yet Naples was dressed up for the summit. Had not the

authorities done a good joh? Not according to Fischer. "Chancellor Kohl and President Clinton, like the Tsarina Catherine II on her Crimean trip with Count Potemkin in 1787, are expected to praise the order and prosperity of Naples, a city where drivers prefer to print the image of a seat belt vital dungheap role, and sendon their shirts rather than actually use a real one."

The Idea of Naples as a Potemkin village, where everything is faked for the grand occasion, provides an insight that adds to one's understanding of summits. It also, unconsciously, came to dominate much of the comment on the event itself. There was far less in it than met the eye.

Le Figaro's editor, Franz-Olivier Giesbert, pursued the theme with reference to France which, he said, "freely confuses the cosmos and the farmyard". There followed a quota-tion from Cocteau: "What is France? I ask you. A cock on a dungheap. Take away the dungheap, the cock dies." Tha summit had played a

en de la companya del companya de la companya de la companya del companya de la companya del companya de la companya de la companya de la companya de la companya del companya de la companya del la companya de la companya de la companya del la companya del la companya del la companya del la companya de la companya de la companya del la companya del la companya del la companya del

ing troops to Rwanda meant France could crow as tha conscience of the world. "France exists, the G-7, sorry G-8 (Russia included), have recognised it. That is one of the lessons of the summit..." Charging on through his thicket of metaphors, Giesbert concluded that it was "a summit of the seven

A different view was expressed in La Stampa, which headlined its comment: "The chimera of a world government." It argued that while the G-7 was the pinnacle among international bodies designed to construct a better world, it should, in fact, do nothing at

dwarves. Without Snow

White\*.

According to the newspaper,

the very act of trying to govern the world was doomed, for it made things worse. There was a "big bang" in 1914 when old empires started to explode into new states, and that had not settled down. Neo-nationalists and neo-fundamentalists resented anything that smacked of trying to impose any order, new or old, and G-7 political declarations were, therefore, a waste of time.

l once knew a house in Devon where the hall was full of 18th century painted figures cut from wood panels. The lone inhabitant found it comforting to join these guests from another world. With modern technology, it should be easy enough to construct a Potemkin summit which would be no less impressive than those we

Next year's venue, a spot known as Halifax, Nova Scotia, would be an excellent place to start.

James Morgan is economics correspondent of the BBC World

s a junior minister in Belfast, opening a red box for the first time, I was disgracefully spoiled. My permanent secretary in the Northern Ireland civil service was a Lancastrian Ulsterman called Norman Dugdale. He is a fine poet (also published by the admirable Blackstaff Press) and a student of Cavaly - and maybe, not surprisingly, the best drafter of a ministerial sub-

mission I have ever encountered. And then, such are the riches of the Province, when Dugdale retired, he was followed by Maurice Hayes, a former town clerk of Downpatrick, chairman of the Community Relations Commission and a senior mechanic in most of the efforts in the 1970s to broker civilised constitutional deals between the warring tribes of Ulster.

Maurice Hayes, who went on to become Northern Ireland's Ombudsman and today's chairman of the Ireland Fund's advisory committee, is a Gaelic scholar and poly-

# Poignant poetry of the past

Christopher Patten, governor of Hong Kong, reviews the evocative memoir of an Irish civil servant

Ireland's "Round Britain Quiz" team on BBC Radio. A trenchant analyst of politics and a brave and decent public servant, he has like Mary Robinson or Garret Fitzgerald, all the wit, the learning, the courage and the crack, that give the Irish at their best a head-start in the charm stakes

Now he has written a book about growing up in a seaside village in County Down before the war. And if there is a more magical album of childhood memories, real or fantasy, I would like to know what it is. As Seamus Heaney points out in his introduction, Sweet Killough is part-census, part-inventory of births and deaths, rumours and

boats, horses, sayings and songs. Killongh was a self-contained

community into which the outside world encroached little. The higgest employer was the brickworks, not a very sound foundation for the local economy given the state of the building trade and the tendency of the local bricks to split and spall and let in the wet. Otherwise fishing and farming provided the jobs. Hayes described the farming calendar - the ploughing, the sowing, the harrowing, the threshing - and reminds us of the "fragility of crops at the mercy of the weather". But above all, in sight of the Mournes and the Isle of Man, Kil-

lough is made by the sea: "the sea

is everything, everywhere, deter-

stars, harvests and catches, trains, boats, horses, sayings and songs.

mining the limits off existence, the free of religious higotry though weather, the rotation of activities, reminded of it from time to time by weather, the rotation of activities, and often life Itself and death". We read of the sbore, the jetsam, the bays, the piers, the rocks, the wrecks, the drownings, the cod. the

> SWEET KILLOUGH: LET GO YOUR ANCHOR by Maurice Hayes The Blackstaff Press £7.99, 240 pages

mackerel, the lobsters, the limpets, the nuns stranded like penguins by the changing tide, and the mariners' tales which link the coast with more exotic landfalls, Table Mountain in Cape Town or Sugar

Killongh itself was mercifully

riots and sectarian rites up the road in Belfast. "The tell-tale signs by which religion was treated: the presence of rosary beads ... the failure to say which instead of who in the third word of the "Our Father"... to he called Llam instead of Billy..." none of these things mattered in Killough.

Hayes grew up in a Catholic home in which the superstition of a fishing village fused with the deeper rhythms of the church's liturgical year; abstinence and fasts, Asb Wednesday and additional rosaries, and always the minutia of ritual and indulgences, for example "bow many prayers (known faintly as ejaculations)

were necessary to bring about a desired end." His father was from Waterford, had fought for the King in Mesopotamia and India, and even received a patriotic wound, though for playing football not from a Turkish scimitar.

aves draws a marvei-

lously evocative picture of his mother, to whom childhood illness inevitably drew him very close, as well perhaps as the fact that as the second of twins he had been expected to die, until "coaxed into life by the heroic efforts of the mid-wife and a comple of drops of brandy". We see his mother sewing and making jams and marmalade, apple jelly and puff pastry, we learn of her

cures for warts and haemorrhages and ring worm; we hear her aphorisms and the precepts learned from the nuns and from her own mother. She was obviously a remarkable woman, and at the book's end is borrowing money to buy a rundown commercial hotel in Downpatrick to help pay for a better education for her children. As in other happy childhoods, she is the beroine of the tale - at one moment bent over her sewing machine. "her hair tumbled down on one side, masking the work seeming to envelope mother and son in their own private tent. And then, alas, she is knocked over on her way back from the station by touring cyclists, and after that she

careful collection of people with

never seemed young again.

It is customary at this time of year to give advice on the books that should be packed for the beach or the river bank. All I can say, as politely as possible, is that if you do not take Sweet Killough with you

# White Chief in a Velvet Jacket

Jackie Wullschlager on the life of Robert Louis Stevenson

vet Jacket, the lovable, smoking Bohemian artist. To others he was Seraph in Chocolate, an arch fin-de-siècle sensualist, possibly over-sweet. On the island of Samoa, he was White Chief, protector of a tribe of former cannibals. By the time Robert Louis Stevenson died in 1894, aged 44, he had become such a mythical, untouchable figure, that, reviewing an early book of letters, a sceptical Henry James said: "one smells the things unprinted".

Now, in the centenary year of his death, a magisterial eight volumed edition of Stevenson's letters gives us a full rich portrait of the writer. Told

THE LETTERS OF ROBERT LOUIS STEVENSON, VOLS I and II edited by Radford A. **Booth and Ernest** Mehew

> Yale £29.95 each, 525 and 352 pages

in his own voice - or rather in the two voices of someone whose imaginative existence propelled his actual one - his strange short life is riveting. On the one hand, RLS was a romantic living out the swashbuckling fun of Kidnapped and Treasure Island on voyages to the South Seas and a marriage to a last, gun-carrying Californian. On the other, there emerges a decent, everyday guy who cared about food and the weather, ran out of cash, and wrote home each week to his mum. RLS is already enjoying a revival as a Victorian New Man - emotional, bonest, tolerant, a model of equality in his marriage and his friendships with South Sea islanders. These letters will enhance both his literary reputation and his

Like many children's writers, he never quite grew up, and most of the letters in these two volumes – ending when he was 29 - are to his parents, or

ans called him Vel- the art critic Sidney Colvin and literary hostess Frances Sitwell who supported him when a religious row drove him from his strict Edinburgh family. These form a journal of this critical point in his life, when he was fighting for the freedom to be himself and to write. In becoming "a horrible atheist", his father said, "you have rendered my whole life a failure"; to his mother it was "the heaviest affliction that has ever befallen me." To RLS, the pampered only

child, the break with home was devastating. As Frances Sitwell, "a sybylline heauty over which time had no power", guided him through the storm, he became infatuated with her. He addresses her as Madonna: "Your sympathy is the wind in my sails," and "you are the very texture of my thought." Colvin was also in love with her and after a 30-year courtship, she mar-ried him. Initially a rival, RLS was devoted to Colvin. "I can see no harm in my dying like a burst pig upon some outland-ish island," he tells the older man, "but if you died, without due notice and a chance for me to come and see you, I should count it a disloyalty, no less."

RLS was always sickly: the rapidiy changing addresses here as he moved from spa to spa is the journey of a typical Victorian consumptive. After his religious crisis, convalescence in the south of France was psychological as well as physical it healed wounds, and soon he was writing, in un-Scottish fever pitch, "my dear father and mother. I wish to do no more today than tell you bow much you are in my thoughts, and how much I love you... please never imagine that you will lose me, or I lose you, until death interferes... do believe that I love you with

all my heart." As his biographer Ian Bell pointed out, Stevenson's style is a sick man's response to the world beightened, distanced, specific. No letter writer has a more intense feel for places. From Scotland "very cold in body and black at heart," he

political opponents he could be

pragmatic to the point of generosity

The tonical question of course, is

when national unity was at stake.

to what extent Tito and the gov-

ernment he led can be held respon-

sible for the dreadful civil war that

To some he is a benign dictator -

the only good advertisement com-

munism ever had - whose personal charisma and political vision con-

verted ancient tribalisms into a con-

vincing national identity. To others

he is a sharp-suited, luxurious ex-

has followed his departure.



Endpapers from the 1911 Cassell Classic edition of 'Treasure Island' painted by the great American Bustrator N.C. Wyeth, rep the Mind; The Mustrated Robert Louis Stevenson' (Canongate Press £14.95 paperback, 88 pages) with an introduction

writes one summer of the "high wintry winds, and the grey sky and faint northern " and air so invigorating "that my scalp was sore." In France he swoons over suntrapped valleys and hikes across the Cévennes with his donkey Modestine" ("65 francs and a glass of brandy"), taking just a change of clothing and a whisk - for his breakfast cocktail of raw eggs. One recalls "many is the long night I've dreamed of cheese - toasted, mostly", in Treasure Island. The same mix of thrills and homeliness that make his stories so shudderingly authentic informs these letters.

"You may paddie all day long," he says of a canoeing trip in Belgium in 1876, "but it is when you come back at nightfall, and look in a familiar room, that you find Love or Death awaiting you beside the stove; and the most beautiful adventures are not those we go to seek." He ended that trip with a visit to the Barbizon artists, and stopped one night

outside the botel Chevillon near Fontainebleu. Peering through to the dining room, he saw a dark, lively American woman and, to screeching delight from the artists, faltered through the window to sit beside ber.

She was a married mother called Fanny: she liked him but was unnerved by his habit of bursting into tears. A year later, she cabled from California in distress. RLS caught the next boat across the Atlan-tic, rescued ber from a disas-

trous busband, and married her. "Count on £250 a year." his father cabled, announcing a reconciliatory allowance.

Volume two leaves RLS in the middle of this affair. Many figures from Victorian Britain have come to life, from the crippled editor W.S. Henley, model for Long John Silver, knocking down Oscar Wilde with his stick, to the "lighthouse Stevenson's" touring the coast to show off their beacons. The remaining six volumes

# The voice of moderation

David Walker discusses the legacy of a great 16th century thinker

llegitimate, orphaned in adolescence, abandoned into an institution by his guardians - the auguries were not good.

Yet Erasmus of Rotterdam became one of the greatest thinkers and scholars of his age, with profound influence on Europe in the early 16th

century and beyond. Through the turbulence of religious divide and war, his was a voice of moderation and reason heard - and sometimes hearkened to - across the con-

The Emperor Charles V made him a member of his council; his works were read not just in the Germanic and Spanish heartlands of the Hahsburg empire and France. Italy and England but also in the further flung corners of Europe like Hungary and Poland. He corresponded with reformer and traditionalist alike across the great swathe of European intellectual

thought. Yet within a few years of his death his works were placed on the Papal Index of banned books. Erasmus laid the egg which Martin Luther hatched, it was said, and he was seen as

The atrands and legacy of this subversion are ably explored by Professor A.C. Dickens and Dr Whitney R.D. Jones in a new study of Erasmus' philosophy and the-

o Martin Luther in 1519. Erasmus set out one of the fundamentals underlying his approach to the quarrels of a pitterly divided continent: "I think we get further hy courtesy and moderation than by clamour. That was how Christ brought the world under his sway . . . Things which are of such wide acceptance that they cannot be torn out of men's minds all at once should be met with argument, close-reasoned forcible argument rather

than bare assertion." Toleration remained the hallnark of his thinking, but there was no precursor here of a multi-faith society in which all beliefs are accorded equal

"Let them hurn, by all means, those who fight the teaching of the articles of the faith or something of equal authority by the consensus of the church," he was to write as the schisms grew.

But the condemnation was tempered; heresy merited burning at the stake only if it was "linked with sedition

the laws punish by death." His aim was to avoid schism and to maintain the polity, It was, he argued, important to understand how few things were basic to a true faith and how false scholarship had perverted the essentials and been used in the pursuit of power at

the expense of peace.

Above all, be believed, war had to be avoided; those who advocated it, be they popes or kings, were guilty of the worst

Universal government, he maintained, was no answer to the imperative of peace; it could merely lead to a bigger tyranny than was possible in a world of fragmented states.

In the 16th century, these sentiments were seen as highly seditious. The wonder is that Erasmus himself survived, respected till the end; it was only after his death that his works were banned.

ERASMUS THE REFORMER by A.G. Dickens and Whitney R.D. Jones Methuen £25, 367 pages

He may have been a critic order, but he gauged the limits to which criticism could be taken. Vigorous refutatioo awaited those who, seeing in him an ally, sought to interpret his writings beyond those limits.

How much of a legacy has he left? For Professor Dickens and Dr Jones, the influence of Erasmus is profound. He would, they suggest, have been in the vanguard of today's ecumenical movement. And his influence in shaping the thinking of those around him and wbo came after him meant he helped to shape the world we

There is much that is recognisably "modern" in his outlook, in contrast with others, such as Martin Luther, who had such a big influence on Europe's development.

Though steeped in the ruling currents of the time, he frequently rose brilliantly above them. His understanding, his insistence on distinguishing hetween aubstance and form and examining basic principles, and above all his humanity illuminate a world in which rival certainties battled for

The world today is divided, though driven by doubt rather than certainty. The Erasmian approach, as we stumble our way through, has

# Benign dictator or corrupt despot? Whatever one thinks of Tito, he recognised the dangers inherent in the Balkans, says Christian Tyler

concluded that Tito's Yugoslavia was very much alive. Even in Pristing, capital of neigh-

bouring Kosovo province, where ethnic Albanians drank their defiance of the Serb authorities it seemed - certainly to the younger generation - that the Old Man's federal framework, however fragile. was simply too precious to he

ito was dying. But anyone watching the thousands of ordinary people who in 1980 packed a square in

Skopje for a spring festival of sing-ing and folk dancing would have

Tito knew how fragile it was. Nine years before he died, Jasper Ridley records, he warned Croatian Communist party leaders who had met to discuss an outhreak of nationalist separatism: "Under the cover of 'national interest', all hell is assembling... In some villages the Serbs, out of fear, are drilling and arming themselves... Do we want to have 1941

Foreigners, he said, were speculating that after his death - he was then 79 - "the whole thing will col-lapse". Meanwhile Brezhnev had mischievously offered to lend him Soviet troops to suppress the Croat revolutionary whose corrupt, extravagant regime was waiting to be hijacked by power-grabbing Josip Broz was a Croat himself. Yet he had no time for the absurnationalists such as the Serb, Slobo dities of myth and language with dan Milosevic, and the Croat, which his heirs have attempted to Franio Tudiman.

Both biographers incline to the justify the killing and the "cleansing". However cruel his courageous first interpretation, but neither supwartime leadership of the Partisans may have been and however ruthless his subsequent treatment of

idley's book is more history than hiography. Being the historian he is, he not only maps out the life but carefully and usefully supplies the world context in which Tito operated, from the break with Stalin in 1948, through the depths of the Cold War to his reincarnation as a world statesman, leader of the "non-aligned" nations. Ridley also scorns the theory advanced hy Michael Lees in The Rape of Serbia that Winston Churchill was duped by left-wing intelligence advisers into switching British wartime sup-

TITO by Jasper Ridley Constable £20, 495 pages

TITO AND THE RISE AND **FALL OF YUGOSLAVIA** by Richard West Sinclule-Stevenson £20, 436 pages

port from Mihailovic's Cetniks to Tito's Communist partisans. But little emerges of Tito the man that has not already been recorded by his wartime comrades: Vladimir Dedijer in his politically-correct bagiography or Milovan Diilas in his sharp, dissident and more sub-

jective portrait. With his chosen perspective, Ridley's Tito reads like a well-researched textbook, full of background hut short of foreground. The pace quickens and lightens in the

final chapters - there is a good anecdote about Tito's boar-hunt with an unsportsmanlike Ceausescu - but Ridley makes oo attempt to analyse the man or his works, to offer a hiographer's verdict.

Richard West's book is really two. He set out to write his memoirs of a country he has been visiting as a journalist since 1951. His publisher suggested a biography. The result is a quick summary of Balkan history, a cursory narrative of Tito's life and a detailed indictment of the Croats, from the Catholic Ustasha's wartime hutchery of Serbs to the revisionist ideology of the current Croat leadership, with a visit to the shrine of Medjugorje on the way.

The book concludes with anec-

dotes and reminiscences whose effect is to illustrate rather than illuminate the Serbs' "revenge" la revenge in which the Moslems have once again become the proxy victims). Tito has vanished. His biogra-

pher muses vaguely about history and religion as the inevitable causes of the war, but it is a view contradicted by refugees of the conflict and by the humble folk that West himself has interviewed on his

Tito always divided outside opinion: amhivalence was one of his political gifts. Courageous, charming, autocratic, fond of dogs, hunting and women, he has exerted a particular fascination over the British, from the soldiers who met him in the mountains to modern historians at their desks. He inspires extremes of admiration and distaste. On balance his reputation seems to have been enhanced by the deluge which has followed his death. It may be too soon for history to judge.

In the meantime, if one had to make room on the bookshelf for one more hiography of Tito, it would probably be Ridley's.



Josip Broz Tito: the father of



# 'Canterbury Tales' on the vicarage lawn

Martin Hoyle finds more postcard humour than Chaucer in this revival

Garrick Theatre on Thursday evening a group of Morris Men, biologically if not politically corrected to Morris Women, jingled their stuff. Inside the theatre ominous signs directed us "to the vicarage lawn". In the auditorium we were assailed with the determined joility of actors acting normal people, uttering lines like "I'm the local vicar here" and "It's lovely weather, just what we needed" as they mingled in the stalls with the insouciant spontaneity of Desert Storm. At the appearance of the ultimate deterrent, notebooks and pens in the hands of some of my colleagues, their cordiality became less marked and they turned their frozen smiles elsewhere. their frozen smiles elsewhere.

The mood of village theatricals is deliberate. The latest resurrection of Michael Bogdanov's 1978 Young Vic adaptation of *The Canterbury Tules* is set during the annual Geoffrey Chancer Storytelling Competition supervised by the vicar of Upper Hopewell This framework cunningly licences tha muse of writer Rohm Davies to roam through such well-loved comic exchanges as "Can I have the actors on the lawn, please?" Excited female voice: "You can have me, vicar!" and "I'm the Reverend Nicholas Nunn." Brian Glover, heckling from the audience: "Knickerless nun? Oo!" There are time-bonoured references to "spanking tarts" and competitors "getting the higgest clap". If the thrust and parry of "You're the fakir!" "I beg your pardon!" and the spirit of Donald Magill postcards are your sort of thing, you will find this a painless introduction to the first great English

Ah yes, Geoffrey Chaucer. The ama-

museum. Spanning the entire 220m

width of the building at first-floor

level and at times less than five

metres wide, it is more flyover than, gallery, top lit by glass domes and pierced by light wells affording unex-

pected bird's-eye-views of the galleries

Two years ago the space was closed

for essential repairs to the roof. Yes-

terday, the re-displayed Ironwork Gal-

lery re-opened to reveal what is one of

the most visually stimulating gal-

least in part. Funding has only been

available for the first phase of the

project, and none forthcoming for an

publication on this extraordinary col-

lection is currently in print.
As if to emphasise the lack of cash,

the display ends abruptly with a sten-

cil representation of the massive

screen designed by George Gilbert

Scott for Hereford Cathedral. This

tour-de-force of Gothic Revival metal-

work still languishes in store await-

sole elements in place over the sten-

cil like 3D jigsaw pieces, are the "ter-

racotta" figures of Christ and a Choir

of Angels ingeniously manufactured

Dismantled and removed from the

cathedral in 1967, the Hereford screen

is also eloquent witness to the metal-

work department'e enterprise in

architectural salvage on a monumental scale. Many of its treasures are here as a result of church and state's

cavalier disregard for its heritage -

from the 13th-century wrought-iron

grilles from Chichester Cathedral res-

cued from a scrap-metal merchant in

1896, to an Art Nouveau fireplace

designed around 1904 by Charles Ren-

nie Mackintosh and pulled out of the

Willow Street Tea Rooms in Glasgow

A 12th-century wooden chest orna-

before they were demolished.

out of electroformed copper.

he Victoria & Alhert's unparalleled ironwork col-

lection is housed in one of

the oddest spaces in any

cross the road from the teur thesps of Upper Hopewell mount (ho ho) five of his tales, while the audience is coerced, panto-style, into demanding a sixth, the Miller's Tale, needless to say, from the previously proscribed Brian Glover. Your final receptiveness to Peter James' production depends on how you take Mr Glover, voice of a thousand TV commercials (even the theatre posters refer to "Chaucer with nowt taken out"), God in the National's Mysteries and remorselessly jovial professional Yorkshireman. Here he turns up as everything from a fakir to a busty barmaid in costumes that ingeniously incorporate an elephant and the bar respectively. What is more, much more, is that he fills in with what used to be called saloon bar stories, a few of which go a long way, some decidedly too far.

When not cringeing, or blossoming, before this campaign of ferocious comic attrition, you can find much to admire in a cast that gives signs of being rather classier than its material. Richard Cant, an accomplished young comic, and the pretty Kather-ine Oliver deserve mention for gal-lantry that includes exposing hare bottoms in the Miller's Tale. Nicolas Lumley's vicar puts over hoary old facetiousness as if it were fresh; but then the whole company deserves a clearer brief. Is this a family show? It strikes me as too unremittingly, leer ingly smutty. Is it an adults only show? It is too clumpingly unsophisticated. I have an awful idea that it may be fitted into a sixteen-pints-anda-vindaloo evening by office parties or those still suffering withdrawal symptoms over the World Cup, I would hesitate to recommend it to Eng. Lit.



Brian Glover as the Miller: the cast is classier than the materia

# Four Weddings and a poem

Anthony Curtis on the work of the suddenly voguish W.H. Auden

turned a poem into a best-seller. In 1945, when John Pudney's RAF poem "Do not despair/For Johnny Head-in-Air" was included by Terence Rattigan in his screenplay for The Way To the Stars, Pud-ney's sales shot up from bun-dreds to thousands. Now Richard Curtis has done it again with Auden's "Funeral Blues". "Stop all the clocks, cut off the

telephone . . " in Four Wed-dings and A Funeral.

Faber have re-printed "Funeral Blues" with some other Auden favourites in a handy pamphlet (£2.50, 32 pages) that bas already sold 40,000 copies and featured in a reader's offer in The Sun, a tabloid newspaper not previ-ously noted for its commitment

Curiously, Auden and Pudney were at school together, pupils at Gresham's Holt in Norfolk in the 1920s. Auden a couple of years older than Pudney, had rather a crush on the younger boy. When Auden threw a batch of his poems into the school pond, saying that he had abandoned poetry for science, it was Pudney who

helped him fish them out. At Oxford in 1925, Audeu read Natural Science before switching to English. He published poetry in Oxford jour-nals, edited Oxford Poetry with Day Lewis and had his first homosexual affairs. All the while he continued to write enormous quantities of poetry and he sent copies of them all to Pudney, who was still at Gresham's. Auden's undergraduate poetic output was stagge ing. No wonder he got a Third in his finals.

The Pudney collection is one source for Katherine Bucknell's timely edition of Auden's Juvenilia 1922-28 (Faber £25, 320 pages). Other sources are poems preserved by Auden's mother, and those given by Auden to other friends of his youth, among them the painter Robert Medley, Christopher Isherwood, Tom Driberg. The typescripts often show several are now safely lodged in the Bodleian and other libraries but the Isherwood collection, the largest, is still in private

hands. There are many lines and whole verses that were re-cycled into later poems in his published work. Dr Bucknell (who runs the Auden Society's Newsletter) notes all this in a running commentary of considerable fascination. Altogether she has assembled more than 200 poems written by Auden between the ages of 15 and 22. Most of them have never been published before. A few were published by Stephen Spender in an edition on a hand press limited to 30 copies as Poems (1928). It was Auden'e first book. Most of the copies have disappeared. Dr Bucknell reprints everything that was in

From the start the young Auden was able to assume the manner of well-known poets he admired with amazing assurance. We can watch him restlessly trying on poetic styles until he found one that really suited him. He goes through a Georgian phase hased on

Edward Thomas, Walter de la

nce before, a film disused mines, kestrels and the Midlands rural landscape of his childhood, is already obsessively captured. Then he has a pessimistic Hardy and Wilfred Owen phase that lasts until he works his way through to the moderns, Edith Sitwell, T.S. Eliot, Hopkins, Here is Auden at 20 becoming Gerard Manley Hopkins in a poem called

Bones wrenched, weak whimper, lids wrinkled, first dazzle known./ World-wonder bardens as bigness, years; brings knowledge, you.

More typical, however, than this denseness is a playful poem structured like a game of

"She said: 'How tiring the lights are!/' I said 'How noisy it is!' So up we scrambled: Into the loft which smelt of hay'. 'Supper!' they said, all too

Auden later called this phase a process of "literary transfer-ence"; by assiduously copying the style of a master the novice-poet discovers his own voice. Certainly by the end of the volume Auden has done



W.H. Auden: he had the power to

that. There is a sequence called The Megalopsych (Aristotle's Great-minded man) that shows him maturing almost overnight. As Bucknell says, as began to iron out its pomposities and simplify. That simplicity was second nature to him the time he came to write

Funeral Blues". In its 30 pages, Faber's new slim volume amply reveals Auden's power to haunt us with memorable lines, also his stunning versatility: it has a ballad, "O what is that sound that fills the ear"; a calypso "Driver drive faster"; a lullahy "Lay your sleeping head my love"; an exhortation "Lover sulk no more" (for Britten); a couple of Cowardy cabaret songs, and a clutch of love-lyrics in which complex metrical problems are solved.

For those who wish to read "Funeral Blues" in the context of Auden's entire poetic output, the Collected Poems (edited by Edward Mendelson Faber & Faber £14.99, 928 pages) contains "all the poems that W.H. Auden wished to preserve". He did not, however, wish to preserve the juvenilia hut, as an insight into the development of a great poet who has become unexpectedly voguish, we are grateful to Dr Bucknell for the trouble she has taken to let us have them.

century ancestors by paving

£820,000 for a family portrait

# Scrapyard to splendour

Susan Moore admires the V&A's new Ironwork Gallery



A French balcony of 1770, rescued from a cul-do-sac in Versailles

mented and protected by elaborate S-scrolling iron hinges and latchwork Berkeley Square; the elegant neocame from the derelict St Albans Abbey, the 17th-century polychrome chandelier rods on display once adorned Wren'e St Michael Queenhithe, demolished in 1876. Garden gates stand as a solitary survivor of balconies, balusters and grilles from

Robert Adam's Lansdowne House in France, Italy, Germany and Spain Classical lampholder a poignant reminder of one of the London's most tragic losses, the Adams' Adelphi buildings off the Strand. This sad lit-any continues with the disembodied

Most of tha collection, of predomipantly wrought rather than cast iron from 1600-1800, was acquired by the museum 1860-1930, often through the agency of passionate preservationists. Perhaps the unlikeliest Albert Steptoe of all was the pioneering Lady

alongside gleaming 16th-century Venetian gondola prows, tha dull, delicate filigree of Berlin iron jewellery and jolly turn-of-the-century biscuit Black-stained wooden display cases are re-used from the old Glass Gallery, the first of the V&A'e "materials and techniques" galleries to be re-dis-

October.

played. These, plus the gimmick-free simplicity of the new installation, are virtues born of necessity.

### Off the Wall/Antony Thorncroft

# Surprising last refuge for the avant-garde

he new Glyndebourne has only been open seven weeks but it is proving a much more exciting place than its sedate predecessor. The booing that greeted Deborah Warner's abstract version of Don Giovanni on Sunday was not unprecedented - Peter Sellar's equally revisionist Magic Flute was heartily disliked by tradi-tionalists (most of the Glyndebourne audience) a few years back - but this time the barracking was more confi-dent and showed a welcome tendency to stert fresb traditions in the new audito-

More startling still have been the advertisements alert-

ART GALLERIES

RILBOROUGH FINE ART 6 Alboraute St W1. 071-629 5161. R.B. KITAJ - Record pictures: Unit 20 August. Mon-Fri 10-5.30.

J.P.L. FINE ARTS RAOUL OUFY "Moinly Music..." Paintings, Watercolours and Drawings, Unid 22nd July, Mon - Fri. 10-5-30-26 Devices Street, London W1. (071-493-2600/071-629-9788) ing the public to unsold tick-ets this season. It has always you can go to Glyndebourne been true that a ticket to Glyndebourne was almost impossible to come by, even from tonts. There are over 6,000 opera lovers waiting (at a signing on fee of £50) many years for the membership which guarantees tickets: most regard a trip to Glyndebourne with as much longing as the three sisters dreamed of

Now the Sussex Downs are suddenly much closer. The enlarged anditorium means that there are around 400 extra tickets to sell each evening and for the August performances of Peter Grimes and The Rake's Progress (20th century opera is blatantly less popular with the social element in the Glyndehourne audience) there is still availability. Hence the ads. There has also been confusion about the 42 standing places priced at £10 and £15 for each performance. They can be booked in

this summer for a tenner. Next summer it should be

open house for everyone. The programme consists of new productions of a rare Handel oratorio and Berg's Lulu, not obvious box office hits, plus revivals of Britten's A Midsummer Night's Dream, which failed to sell out completely last time - and Don Giovanni. As the ENO rejects experimentalism for popular operatic favourites Glyudehonrne seems to be the surprising last refuge of the avant-garde.

ponsors love a credit, a little plug in the press for the opera, concert, art show, they have snpported. This is mainly because only a minority of company directors appreciate the arts, and media coverage is the obvious way that they can prove to their more

from the corporate invest- per cent, of the 180 reviews leaves the National Heritage

In the past such credits were hit and miss affairs, with the BBC and some national newspapers refusing to acknowledge the sponsors' contribution. As a result, the arts lost patrons. In recent months the Association for Business Sponsorship of the Arts, and arts organisations like the National Theatre and the Tate, have launched a etrenuous campaign to persuade the media to include the sponsor in coverage of arts events.

It seems to be paying off. In a survey conducted in May, 74 per cent of sponsors were credited, compared with only 49 per cent in February. Six newspapers had a 100 per cent success rate, including the FT (of course), but also such traditional sceptics as the Guardian (now an ABSA member) and the Evening Standard.

The research also indicated hard-headed colleagues that that sponsorship is still com-there is a tangible return paratively rare. Only 39, or 22

were of events that had been

here is only one topic of conversation in the arts and heritage world at the moment - the National Lottery. It would be a dozy arts administrator, or museum director, who did not want to jump on this particular gravy train. The problem is which compartment to make for - the Milleunium Fund, the arts treasure chest, or the heritage pay outs.

The Millennium Fund is channelling half its anticipated revenue, or roughly £800m by the year 2000, into large prestigious new building projects of national significance, which puts it off-limits to art galleries and theatres that only need refurbishment. The arts money is likely to be competed for hy every arts institution in the country, from the National Theatre to a local video workshop, This

Fund's largesse as the centre of most speculation.

Dorothy Nevill, who saw her mission

as relieving workers' cottages on the

Weald of their 16th-century decorative

cast-iron firebacks and presenting

The museum's mission was, of

course, to improve modern design and

manufactures by exhibiting the finest examples of the arts of the past and

present. In this sense the V&A itself

was - and is - an exhibit. On show,

for instance, is one of the ropework

cast-iron radiator panels with their

curious hermaphroditic friezes

designed by Alfred Stevens for the

museum around 1862. The depart-

ment's most recent commission, a

Albert Paley, is due to arrive in late

James Horrobin's impressive ham-

mered gates to the gallery of 1981 are evidence of the relatively recent flow-

ering of contemporary blacksmithing

in Britain, a phenomenon that makes

the abysmal design and poor execu-

tion of the new Queen Elizabeth Gates in Hyde Park as bewildering as

they are a wasted opportunity. Their

only saving grace is as a reminder

that decorative ironwork was tradi-

tionally painted and gilt; black was

It is, however, the stark contrast of

the black, calligraphic lines of

wrought iron imaginatively set

against white walls that provides the

gallery with its immediate drama. Its

eclectic collections of emaller iron-

work warrant closer inspection; fiend-

ishly complex medieval and renais-

sauce locks and keys take their place

late Victorian convention.

by the American artis

them to the nation in 1914.

One gallery that has moved swiftly is Dulwich Picture Gallery in south London. This week the chairman of its trustees, Lord Sainsbury, launched an endowment appeal which aims to provide £400,000 a year to improve both the display of the collection and the out-reach programme of this, the oldest public art gallery in the UK. To ensure such extra income suggests an endowment fund approaching film

Dulwich has pulled off a coup by receiving a promise of help from the National Heritage Fund, although, surprisingly, not from Its lottery resources but from its annual grant, which is to be reduced next year to £8.8m. This is because the Heritage Lottery Fund can only give endowment support to projects to which it has also given capital funding, a strange quirk of the

Of course help for Dulwich ing a substantial sum by their own efforts, but with Lord Sainsbury and Mrs Vivien Dnffield on board the omens are good that this little artistic jewel should gleam even more brightly in future.

you catch sight of the extent of the recession in the art market, or rather in the picture market, where things are toughest. In July 1990 a bidder quickly acquired on the same day at Sotheby's some 18th How tastes change.

Joseph Wright of Derby; and £68,000 for a Gainsborongb. Fate forced him to sell them at Christie's this week. The Gainsborough sold - for £45,500, but even at £220,000 there was no bidding on the Zoffany and the Wright of Derby was bought in at £180,000. The market for smart decorators' paintings is still stone cold dead. By chance this week an aris-

tocrat was actually buying in the saleroom. The Duke of Devonshire, through his Chatsworth Trust, paid £265,500 at Sotheby's for a Gainsborough portrait of Georgina, an 18th century Devonshire Duchess. In 1876 it sold for 10,000 guineas, at the time the highest sum ever paid in the saleroom.

BANKSIDE GALLERY: RWS "OPEN" COMPETITION 7th - 31st July. The largest U.K. Watercolour Open Exhibition. Most works for sale, prices from £220.
Artist total Tues 6.30pm at the gallery.
Open: Tues 10 - 8, Weds - Fri 10 - 5, Stm I - 5. Closed Mon & Sat. Adm £3.50/£2 comes. 👺 BANKSIDE CALLERY 🎇 48 Hopton Street, Blackfriars, London SE1, 071-928-7521

# From figures to dragons, suns, moons and laughter

William Packer admires an exhibition of Maggi Hambling's recent work

ahle and unclassifiahle as she is prolific. Not only does she never seem to stop unless tied down, her paints confiscated and studio locked, hut what she does is likely to surprise and test even the most committed of her supporters. Portraits, life drawings, landscapes, mystical abstractions upon landscape, symbolist or mystical abstraction all have appeared in their turn over the past dozen years or so, and not as single spies at that, but in battalions.

She is something of a surrealist, and an expressionist within the broad meaning of the act - though for saying as much I was once pinned against the wall by the late and redoubtable Vera Russell, who said to me darkly as she shook me by the throat: "Maggi is not an Expressionist: Expressionists are German." Even she, I feel, had she seen this latest work, would now concede the point.

Towards Laughter, her show at the Barbican, offers us a just such a view of the paintings of the last ten years, with a handful of earlier works to set the thread. It is not a straightforward retrospective, but more a retrospective of an idea, and its development

within the work.
Miss Hambling, in her portraiture and figure painting, has always been interested in physical expression, passing moods and states of mind. The show opens with one or two examples - a portrait, from the mid-1970s, of Lett Haines, her sometime teacher, roaring with laughter and profoundly convincing in its psychological subtlety; and another laughing and this time female head from 1984,

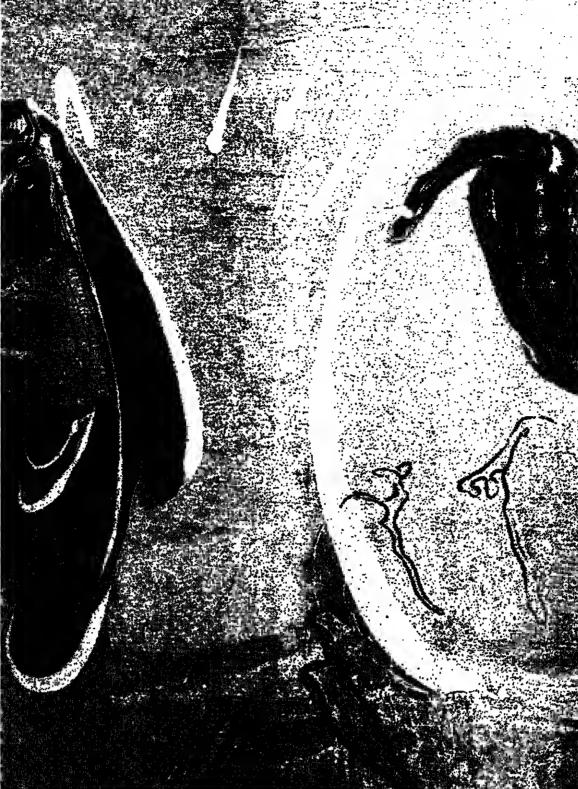
which is more robustly stated. But rather closer to the particular idea, as we see it develop through the show, are two much stranger images The first is of the ghost of another of her great teacher-friends, the artist Cedric Morris, a wispy and transparent ectoplasmic figure in his chair

s she spproaches 50, against the light. The second, "In Maggi Hambling Praise of Smoking", is a conversation piece in the extended series of paintings she made of her friend, the comedian Max Wall, in the early 1980s. It shows the two of them in the studio, one posing, the other painting, with the smoke from their cigarettes rising to come together in a cloud above their heads, a cloud personified in the head of ghostly monkey.

The jump from this to the first of the sunrise paintings, which marks the transition from overtly figurative painting to the abstraction that makes up by far the greater part of the show, is thus not so great as it might at first appear. The key work is the Dragon Sunrise of 1986, a burst of orange against the blue out of a black cloud that immediately calls to mind the Zen temple ceiling paintings of Japan. Soon the moon appears, to do battle with the sun - reflected images, ambiguous surfaces, suggestions of pools and water, or dragons and demons chasing the richly darkening sky. These are increasingly ambitious and dangerous paintings, in terms both of scale and content, and it is a measure of the artist's skill that she carries them off so often, and so beautifully, in this phase of the

And suddenly, with the 1990s, the laughs take over, great bursts and belly laughs of pigment, pools of colour, swirling and rioting together. They begin quite soberly with "The Happy Dead", another symbolic and abstracted sky, and so, happiness to laughter, the thought of the physical, visible presence and description of mood and sound, the intangible and the evanescent, is born.

These are now high risk Ideas and images, the danger ever-present of ludicrous, bathetic failure and belly flop, and it is a measure of Miss Hambling's nerve that she has persisted with them with such spirit and, in the event, to such effect. Here they are: "Brothel Laugh", all puce, pink and voluptuous with hints of buttocks



Something of a surrealist: 'Secret Laugh', 1991, by Maggi Hambling

and black stockings; "Suicide Laugh", desperate, defiant and vertiginous, light on dark and into the vold; "Bathroom Laugh", swirling, supine forms, pink against blue; "Laugh Defying Death", legs kicked in the air; "Champagne Laugh", yellow froth and glass beld high; "Secret Laugh", off to the side and turning away; "Ghosts of Laughs", fading into silence.

Lately Miss Hambling has also made some ceramic sculpture, linear, spindly, precariously curling and colourful objects that are, in sort, cousins to her painted images. Like them they are suggestive and evocative things that invite sympathetic recognition and fellow feeling. But then the shared joke is no mere laughing matter, but a privilege too. We laugh or

> onds, dissolving with breathtaking heauty.
>
> Ivo Cramer's production, in

Dominique Delouche's lavish

costumes, catches the opera's

naive blend of comedy,

romance and heroism. Cramér,

a chorcographer of long experi-

ence, provides lively spectacle

(Alcina's monsters were taken hy dancers) that almost dis-

guises the work's lack of stage

strong, with two especially

good sopranos. Elisabeth Berg

was bright and beli-like as tha

shepherdess Eurilla, and Pia-

Marle Nilsson sang with

almost perfect poise as the lan-guishing Angelica. The tenor

Klas Hedlund stood out for his

Drottningholm's cast was

die. Maggi Hambling laughs a lot, and this is a brave show.

Maggi Hambling - Towards Laughter, the Concourse Gallery, Level 5, the Barbican EC2, until July 31, then on to Preston. Sponsored by Northern Centre for Cootemporary Art and Northern Electric, funded by the Arts

expressively comic Pasquale

and skilful patter singing. Gun-

nar Lundberg blustered power-

fully as the swashbukeling but ineffectual king of Barhary,

Rodomonte; Anita Soldh char-

acterised the benign sorceress

Alcina well; Stefan Dahlberg

was more than adequate as the

ridiculous, swooning Orlando;

but Lars Magnusson's Medoro was too loud and unyielding.

under McGegan's energetic

direction, but it uever seemed

pushed. McGegan caught the music's essential lyricism, and

the "period" instruments -

beautiful winds - sounded

smooth in the theatre's inti-

The Festival runs until Sep-

mate acoustics.

Haydn's score sparkled

# Video Into the 21st century

have seen the future and f have almost got it to work. My life has been transformed in recent weeks by the acquisition of a CDI Digital Video machine. Welcome to the wonderful world of advanced interactive home viewing. Technophobic teething troubles mean that f am still striving to master the intriguing game Caesar's World Of Baxing, in which you programme your own pugilist and watch him battle in giorious live-action colour. And I am also settling slowly Into the other game requiring use of a remote-control joystick, Voyeur. In this you roam around a US presidential contender's mansion eavesdropping on possible would-be murderers. A Cuip plays the politico, and a flotilla of semi-recognisable TV actors occupy the guest rooms. Using your handset,

My mastery of this games universe is limited as yet. But I have screened the CDi feature films without problem and f can announce: you might as well throw out that steam-driven VCB now. This system comes closer than any previous small-screen viewing experience to providing the resolution, hi-fl colours and sound quality of a

you zoom in and out picking

evidence, or punching np your choice of tell-tale dialogue

up clues, highlighting

So far the Philips CDi people seem to have tied up Paramount and Polygram aione as major product sources, so the movie catalogue is small. Top Gun, Naked Gun 24, Ghost, The Crying Game and a couple of

dozen more, But for the first few days of using this machine, what you watch hardly matters. You are startled that faces look real and humanly coloured rather than blobbed in with video-plnk; that night time scenes are not invisible to all but badgers; that grain and blurriness are things of the

A favourite movie scene that on the VCR looked scarcely better than a home video let us say, Frank Drebin's House dinner with the Bushes in Naked Gun 21/2 - now plays like something out of Visconti.

Since this machine has been handed to me on indefinite loan by the Philips CDi promotion people (its high street cost is £550), f should probably moderate my enthusiasm lest there are cries of bribery and corruption, f also hesitate, as a film critic, to trumpet a viewing device that might encourage even

more of you to stay away from

But a breakthrough is a breakthrough. And with movie CDs as with music CDs - to which they are near-identical in size, shape and price (£15 per (ilm) - you have unprecedented intervention powers. Scenes are "chapter-beaded" so that you can jump straight to them. There is a freeze button, producing a perfect image not an imitation of a distressed blancmange. And wiren you press the final stop button, that is it: you do not have to look at the celling for five minntes while the tape

With my credibility as a cassette-recommender under threat, I must now turn 189 degrees and argue for such virtues as VCR viewing still has. The main one is range. There is movie life outsid Paramount, and in the foreign film department July offers riches aplenty. Pick of the month is Farewell My Concubine (Artificial Eye), Chen Kaige's epic of modern Chinese history, escorting us

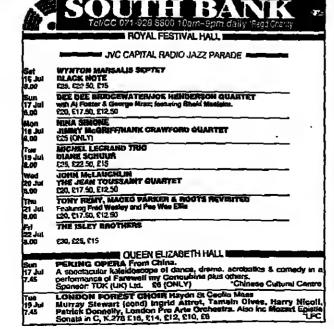
Nigel Andrews has fun playing with a new tov

through 50 sumptuously dramatised years from 1920 to the Cultural Revolution. Other sensory feasts have made the journey from large screen to small. Juzo ftami's Tampopo (Electric) is a Japanese comedy about food, sex and Buddhism. Fassbinder's Effi Briest (Connoisseur) is a bieratically handsome version of the classic German novel. And on a new video label called "Dangerous To Know" you might try Hamlet and A Midsummer Night's Dream: two kitsch-rich Shakespear adaptations by Anglo-Italian director Celestino Coronado, a sort of bantamweight Derei.

But It is no good. I cannot stay away from the CDi. I am now playing an interactive disc called The Worlds Of ... groups I have never heard of " called "Sultans of Ping",

"Ugly" and the like. Coaxing my handset's mushroom-shaped control batton, I dodge about between groups and between songs. I can also answer quizzes, choose bits of interview and even play a hide-and-seek game with the "Sultans" on the Tokyo subway. Amazing. f was only just getting used to the 20th century, and now here is the 21st.

# Stephan Dahlberg - more than adequate as the swooning Orlando



# Ideal opera for Drottningholm

John Allison reviews Haydn's 'Orlando paladino'

sures of visiting the Drottningholm Court Theatre - 50 minutes from Stockholm by lake steamer - have been recounted on this page before. But the single most satisfying experience there is of course a good opera production, and Haydn's Orlando paladino, the main project this year - the second season under Elisabeth Söderström's artistic direction and the chief conductorship of Nicholas McGegan - is very fine indeed One of Söderström's aims is to explore the operatic geneal-

ogy of the Mozart and Gluck works that have been central to Drottningholm's repertory over the years. Orlando paladino was Haydn's most popular opera, and it is likely that Mozart heard it; certainly, there are pre-echoes of Don Giovanni in the characterisation of Medoro (a Don Ottavio figure) and Pasquale, whose cata-logued grievances call to mind Leporello. Though the plot cannot stand dramatic scrutiny, it serves as a framework for marvellous music, much of it worthy of Mozart's operas.

Orlando paladino is ideally scene changes are accomsuited to Drottningholm's 1766 plished within a matter of secjewel-box of a theatre. It was composed (1782) for a court theatre of about the same size and period - that at Eszter-háza, long sínce destroyed which like Drottningholm was on the fringe of European culture but flourished under enlightened patronage. The libretto, stitched together from Ariosto's heroic legends, calls for all of Drottningholm's famous stage effects: the thunder and wave-machines work their magic, Alcina descends sitting on a cloud, Orlando decapitates one statue and is himsalf transformed into another. Drottningholm's deep stage provides the dark recesses for Alcina's magic grotto. As if in a time capsule, the original, 18th-century stage machinery is still in place:

Chess No 1030 1 dxc7 and 2 c8Q or R is obvi-ous, but Black has no legal last move in the diagram. So It has to he Black's turn, and the solution is 1 c5 Ba7 2 c4 Bd4 mate or 1 c6 Rc5 2 cxd5 Rc8 or 1 cxd6 Rc5 2 dxc5 Be5.

Neat one, Martin. Electronics near genius Martin Grindrod wasn't happy with any

available hi-fi system. So he simply designed, and built, his own: The AVI total hi-fi system' stacks up to little more than 12" in height. And £3,596 in money. It is perfection at any price, described by one hi-li reviewer as, without doubt, his "first choice". (You'd find it no small pleasure to call 0453 752656 for details.) "The AVI System: pre-smp, two mono-block power amp-(not pictured) CD player and names.

> red. Unit FSC). Both Road Tracing Estate, Streed, Cite ster GLS JQE England Telephone: 0453 765682 Faz: 0453 752777





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### TELEVISION

7.25 News. 7.30 Febr, the Cat. 7.45 Joe 90. 8.10 The Flintstones. 8.39 Round the Twist. 9.00 Parallel

10.55 Film: Peter Lundy and the Medicine Hat Stallion, Western adventure. A frontier teenager (Leif Garrett) becomes a Porry Express rider in 19th century Nebraska (TVM 1977).

12.30 Grandstand. Introduced by Steve Rider from Tumberry, 12.35 Golf and Football Focus: The Open Golf Championship. Coverage of the third round at the windewept Ayrshire course. Plus, Football Focus: Preview of the World Cup third-place final. 1,00 News. 1,05 Golf. 1,25 Racing from Newbury: The 1.30 Mtoto Donington Castle Conditions Stakes, 1.35 Golf 1.55 Racing: The 2.00 Harcros Timber and Building Supplies Stayers Championship Series Handicap (Qualifler). 2.05 Golf. 2.25 Racing: The 2.30 Weat arbys Super Sprint Trophy. 2.35 Golf. Times may vary.

5.05 News. 5.15 Regional News and Sport. 5.20 Hit the Road, Team captains Jonathan Coleman, Annabel Giles and John Lealle urge celebrities Jim Bowen, Keith Chegwin, Jeremy Gus-cott, Allan Lamb, Vicki Michelle and Carol Smille to perform bizarre tasks in Stratford and Werwick.

tasks in Strational and Werwick.

6.00 Stay Tooned. Tony Robinson preents a history of The Flintstones, in preparation for the release of the movie starring John Goodman.

6.40 Pets Win Prizes. Ordinary household pets compete in all manner of wacky events in an attempt to win wacky events in an attempt to win

wacky events in an attempt to win prizes for their owners.
7.20 Miss Marple: Nomests. Joan Hickson, in the guise of super-eleuth Miss Marple, is hired by a millionaire to investigate an undivulged crime.
Feature-length mystery, with Helena.
Mitchell.

9.05 One Foot in the Grave. All manner of disasters ensue when Victor seeks professional help for an over-grown cherry tree. Classic comedy, starring Richard Wilson. 9.35 News and Sport; Weather.

Mail 15

9.55 Film: Firefox. Retired US pilot Clint Eastwood is persuaded to steel a supersonic jet fighter from the USSR. Airborne action thriller, with 12.05 Gloria Estetan: Into the Light

BBC1

7.30 Dilly the Dinosuur, 7.35 King Greeningers, 7.40 Pleydays, 8.00 Telling Tales, 8.15 Readdest with Frost, 8.15 Faith to Faith, 9.30 This is the Day in the World of Politics, 10,00 See Heart 10,30 The

12.00 CountryFile, 12.25 Weather for the Week Ahead;

12-35 Harry and the Hendersons.

1.05 Steven Spielberg's Amezing Sto-

2.50 Film; The Four Musketeers. The heroes engage in another battle

4,40 Lifeline. Appeal on behalf of the

against the vilialnous Rochefort and his accomplice Milady de Winter.

High-spirited swashbuckler, with Oil-

ver Reed, Michael York and Charlton

Women Caring Trust, set up to help children in Northern Ireland.

for an 11-year-old from Northumber-

stagecoach. Sweet Inspiration. Actor Jose Ack-

ing a mystical experience in Africa.

Jose Carreras, Placido Domingo and Luciano Pevarotti combina their

singing talents in a gala musical pre-lude to the World Cup Final, featur-ing a selection of popular operatic

arias and Broadway hits. World Cup Grandstand, Full cover-age from the Rose Bowl, Pasadona,

age from the Flose Bowl, Pasadona, as the 15th World Cup final Iddles off in the noonday heat of Los Angeles. After a footballing month never short on incident, drama and the unex-

pected, even the hardened team of

BBC pundits will be hard-pressed in predicting the winners of what has

taught to young children at school, and whether it has a beneficial or detrimental effect on their behaviour.

adventure about desperate efforts to prevent a race of semi-intelligent

plants taking over the Earth. Howard Keel and Janette Scott star (1962). Weather

proved to be one of the most

enthrailing tournements for years.

10.35 News and Weather.

11.25 Film: The Day of the Triffide. SF

1.00 Weather.

1.05 Close.

10.50 Heart of the Matter. Joan Bakewell

lend to go on a dinner date with Michael Winner, and a Merseyaide

coach driver to take the reins of a

land tells Alan Titchmarch about

6.15 The Tisse Tenors in Concert 1994.

1.10 Closs.

12.55 Carto

ries. 1,30 EastEnders.

Heston (1974).

BBC<sub>2</sub>

8.00 Open University

12.15 Film: The Roaring Twenties. Classic gangster drama about o first world war veteran (James Cagney) who embarks on a life of crime after returning to Prohibition-era New York, With Humphrey Bogart (1939).

Appaloosa. Insight into Linds and Paul McCartney's love for their thor-oughbred horses, providing a unique rspective on the world of equastrian breeding and competition. 2.30 Scrutiny. Anne Perkins reviews the work of the parliamentary commit-

8.00 Film: Carve Her Name with Pride. The British widow of a French office.

The British widow of a French office is ensisted as a spy during the accond world war. Fact-based drama, staming Virginia McKenna and Paul Scoffeld (1958).

4.55 Goff: The Open. The closing stages of the third round from Tumberry. With most of the players back in the clubinouse, there's a chance for those still to complete their rounds to move up the leaderboard. Subsequent programmes may run late.

7.06 News and Sport; Weather. 7.20 The Bye of Victry. Clearle Chebro's powerful film recounting the contro-versial history of the wartime Franch Victry regime, which actively sup-ported the Nazia' anti-semitic pot-cles. (English subtities).

9.05 Selnfeld. George is delighted when Eaine finds him i job, and gives her a sweater as a thenk-you gift - only to face humiliation when she learns he bought it at a bergain price.

9.30 The Jupiter Collision. New series. First in a week of programmes cov-ering one of the rarest galactic phe-nomena ever witnessed by mankind nomena ever witnessed by mank the impact of a comet onto the surface of the largest planet in the

10.00 Golf: The Open. Steve Rider Introduces third-round highlights from Tumberry.

10.30 Firm: Lacombe, Lucien, Louis Malle's drama about a French po ant who becomes a Nazi collabo tor after his application to join the Resistance is rejected. Plene Biels stars (1974).(English subtitles).

12.45 Film: Hitler's Children. A member of the Next Party attempts to rescue his lover when she is imprisoned in a lebour camp. Drame, starting Tim Holt and Sonita Granville (1943). 2-10 Close.

BBC2

6.15 Open University. 9.10 Juniper Jungle, 9.25 Spacewets. 9.40 Flevel's American Talls. 10.05 The Ready Wild Guida to Bittain, 10.30 George Hill., 10.55 Teamage Materit Herr Turtles, 11.20 White Fang. 11.45 The O Zone, 12.00 Around Westmin-

12.30 Sunday Grandstand, Introduced by Steve Rider from Tumberry, 12.35 Golf and Football Focus; The Open. Coverage of the final round of the

123rd championship. Plus, Footbell Focus: World Cup '94. A look ahead to lonight's finel, 1.00 Golf. 6.30

News Roundup. Times may vary.

Subsequent programmes may run

6.40 Rough Guide to the Americas. Magenta de Vine and Rojan Dater visit Cenada, where they see the

7.30 Galepagos: Paradise in Paril. The truth behind recent media coverage

8.15 Film: Stanley and Irla, Elterate cook

famous glant tortoises.

of devastating thes sweeping the Galepagne islands

Figure Statiley and Iras, unterant countries foliate to Nice states taking reading leasons from lonely wildow Jane Fonda - and soon finds this thirst for knowledge replaced by feelings of a more intimate nature. Martin Filtr's

moving romantic drama, with Swoo-sie Kurtz and Martha Plimpton

the Sambia people of Papua New Guinea as e means of passing on warfiles qualities from one generation

to the next. These secret practices have all but died out in recent years,

ship between anthropologist Gilbert Herdt and the natives, they are at

last revealed to the outside world.

but as a result of a close relati

10.50 Golf: The Open. Steve Filder introduces final-round highlights from Tumberry.

11.30 Moviedrome. Introduction to tonight's film. With Alex Cox.

1.25 Close.

SATURDAY

11.35 Film: Cerny, Jodie Foster stars as a free spirit who transforms the lives of two sideshow carrival performers.

Officeat drama, with Gary Busey and Robbie Robertson (1960).

9.58 The Jupiter Collision. An investiga-tion into the origins of comets.

19.05 Under the Sun. Insight into the unusual sexual rituals practised by

SATURDAY LWT

9.00 GMTV. 9.25 Girms 5. 11.30 The ITV Chart. Show, 12.30 pm Starting from Scratch.

1.00 ITN News; Weather.

1.05 London Today, Weather. 1.10 World Cup '94: L.A. Brunch. Tony Francis previews tomorrow's final in Los Angeles with help from Jack Charlton, Denis Law, Ray Willeins and Don Howe.

1.40 Movies, Games and Videos. Reviews of Maverick and The Severty Hilblidgs. 2.10 WCW Worldwide Wrestling.

2.50 Life Goes On. 3.45 Burke's Law, Amos res

beautiful private eya as they both investigate the bizzare murder of a wealthy banker. 4.45 ITN News: Weather. 5.00 London Today, Weather.

5.15 Time Trax. Pilot episode. SF tiriller about a 22nd century cop who cheses a political assassin back in time to 1993. Date Midkiff stars.

6.50 Celebrity Squares. New series. Bob Monkhouse hosts as guests includ-ing Joan Sime and Wendy Richard help contastents win cash and cars.

7.20 Stars in Their Eyes Final - Live. The best singers from the series take the stage in the hope of being crowned 1994 where, with viewent voting by phone for the eventual where. Hosted by Matthew Kelly

8.30 ITN News: Wasther. 8.45 London Weather.

8.50 Stars in Their Eyes Final - The

9.05 Film: The Delta Force. An elite aquadron takes on terrorists who have hijacked a charter flight bound for Athena. Action adventure, with Chuck Norris, Lee Marvin and Martin Balsam (1988).

11.25 World Cup '94. Highlights of tonight's third-pisos final in Los Angeles, and a look shead to tomor-row's final,

12.30 Tour of Duty. 1.25 Get Stuffed: ITN News Headlines 1.30 The Big E; ITN News Headlines 2.25 Slot Machine.

SUNDAY

LWT

6.00 GMTV, 9.25 The Littlest Hobo, 10.15 Link, 16.20 Stroday, 11.00 Morning Worship, 12.00 Sun-day, 12.20 pm Crosstatic London Weather,

1.10 100 Women, Provocative and informative debate from a female per-

spective, chaired by Sheena

2.55 Film: The Moon-Spirerers. Two British tourists get caught up in e jewellery that when they visit the Greek leland of Crete. Disney family

5.00 The London Programme, Cameras follow the work of the London

adventure, starring Hayley Miles

Ambulance Service, examining the reality of handling health emergen-

cies on the capital's congested

6.00 Dr Quinn: Medicine Woman. Col-lean develops a crush on Sully after he saves her ife, and tries to engi-near another crisis so that she can

7.00 It'll Be Airight on the Night VI.
Denis Norden presents another
selection of TV blunders that the

8.00 World Cup '94. Full coverage of the

final from the Rose Bowl, Passider More then 92,000 spectators are

expected to fill the massive open-air stadium outside Los Angeles to see which nation can follow in the foot-

steps of champtons Germany, and add their name to the list that also

revealing insight into the bettle to unseat Milwel's British National Party councilor Derek Beackon.

1.40 Get Stuffed; ITN News Headlines.

3.15 Off Beet.; ITN News Headlines 3.45 Film: The Courage and the Pas-sion. Military chama, starting Vince

programmes may run late.

11.15 The London Documentary, A

11.00 ITN News: Weather.

12.15 The Restaurant Show.

1,45 Cue the Music.

Development 94. 10.45 Sports Roundup. 11.00 Printer's Devil.

11.15 Letter from America. 11.30 BBC English, 11.45 Mittagsmagazin, 12.00 Newsdesk, 12.30 Mortdan. 1.00 World News. 1.05 Words of Faith, 1.15 Muthtrack

12.45 Merried - With Children.

2.45 Music from the Circus.

Edwards (1978)

11.10 London Weather.

Includes Brazil, Itsly, Argentina, Unu-guary and England. In the event of extra time and penalties, subsequent

cutting-room floor.

enicy the sensation of being rescued

sters would rather had stayed on the

5.30 London Today, Weather.

5.45 ITN Nows, Weather.

1.00 I'm News; Weather.

AcDonald.

2.00 Highway to Heaven.

3.20 New Music. 4.20 BPM. 5.00 Hot Wheels.

### CHANNEL4

E.00 4-Tel on View. 6.35 Early Morning. 19.00 Trans World Sport. 11.00 Goals Gorneo. 12.00 The Big Bight. 12.30 pm A Get's FarefLadeyer.(English

12.55 Film: Diane. A 16th century French countess falls for the king's son as she prepares him for his impending marriage. Historical melocina starring Lana Turner and Roger Moore (1955).

2.55 Racing from Newmarket. The 3.15 Food Brokers Aptrodite Stakes, 3.45 Primula Maiden Stakes, 4.15 Food Brokers Trophy, and the 4.45 Chemist Brokers Salon Selectives Handicap Stakes.

5.05 Brookside; News Summery. 6,30 Opening Shot. Firm following 16year-old guiter sensation 'Smokin Joe' Bonemassa, as he visits Memphis to cut his first album.

7.00 Tour De France, Stage 12: The Pvrleave the mountains and embark on a gruelling six-hour stage.

7.30 Carreras, Domingo, Psyarotti, Mehta in Concert. Another chance to see the unique 1990 concert simed in Rome, as three of the world'e greatest tenors joined forces for a musical extravaganza.

9.15 A Night with Derekt You Know What I Mean. Profile of director Derek Jarman, who died of an Alde-related liness certier this year, shown as an introduction to a night

10.25 Film: The Tempest, Adaptation of Shakespeare's play, a trag-comic tentasy set in a world outside time. Heathcote Williams and Toyah Willcox star (1980).

12.15 Film: The Last of England, Surreal montage depicting the decline of Britain through images of urban decay and postical oppression. Tilds Swinton and Nigel Terry star (1687).

2.05 Film: Blue. Derek Jarman's unusual contemplation of life and death in which a blank blue screen is accom-panied by a soundtrack of music, poetry and narration (1993).

2.30 Film: Sebastiene. Striking account of the life of early Christian mertyr St. Sebastian, a Roman solder ban-ished to a remote military outpost. With Leonardo Trevigilo (1976). (English subtities). 5.05 Close.

CHANNEL4

12.45 Film: 48th Parallel, Six Nazis

3.00 Three Knights, Animated tale of

heroism. 3.15 Macbeth, Lavish version of Verdi's

5.55 Tour De France, Stage 13: Castres

6.25 News Summery.

5.30 The Coeby Show. 7.00 One Man and His Bo

(TVM 1981).

8.10 Early Morning. 8.46 The Odyssey. 10.15 Swed by the Boll, 10.45 Rawtide. 11.45 Little

stranded in Caracia by to escape to the stiff-neutral USA. Second world war thriller, starring Leelle Howard, Laurance Olivier and Glynis Johns 1044

tragedy about murder, ruthless ambition and witchcraft in medieval Scotland, performed at Ovanianus Castle, Finland.

to Montpelfer, 192,5km, A stage tra-

ditionally won by one of the sprint-

Perkins' voyage of discovery across

system to Birmingham, Manchester and Cumbris, before crossing the moors in search of his family links in

Britain in a small native American cance. His quest takes him along

the Thames from Greenwich to Oxford, where he joins the canal

8.00 Film: Stand by Your Man. Biopic of

Country and Western music singer Tarnmy Wynette (Annette O'Toole), following her life and career from

impoverished childhood to interna-tional standom. With Tim McIntire

mas. Warm-hearted drama about eight very different women who

hound survival course in the Lake

bound survival course at the Lake District and discover that their shared hurdship helps break down personal barriers. Staming Julie Wel-ters, Penelope Nice, Arthony Hig-gins, Jane Evers and Paula Jacobs

following the many musicians, busk-ers and eunuch gangs who ply their trade on the pay's bustling streets,

making melancholy music for the entertainment of tourists and other

second world war drama about a

Russian youngeter who becomes a spy after his family is messacred by the Nazis. Kolya Buriyaev stars

embark on a grueifing outward

11.25 Street Musicians of Bombey, Film

passers-by, 12.25 Film: Iven's Childhood, Soviet

9.45 Film: She'll Be Wearing Pink Pyla-

REGIONS ITY REGIONS AS LONDON EXCEPT AT THE POLLOWING THRES:-

12:30 Movins, Games and Videos. 1.05 Angla News. 1.40 Nigel Mersel's IndyCar '94. 2.10 Gamo-moke it: The Last Apache. (1990) 3:50 Knight Rider. 5.00 Anglia News and Sport 8:46 Anglis Weather. BORDER: 12.30 Moves, Garnes and Videoz, 1.05 Border News, 1.40 Nigel Mansell's IndyCar '94, 2.10 High School, USA. (TVM 1983) 4.00 Superstars of Wings-

CENTRAL GENTRAL: 12.30 America's Top 10. 1.05 Central News 2.10 Rocksport, 2.30 The Mountain Blke Show, 3.00 WCW Worldwide Wrestling, 3.50 The Fall Guy, 5.00 Central News 5.05 Carloon Time, 6.45 Local Manather.

12.90 The Littlest Hobo. 1.65 Channel Diary. 1,40 Nigel Mansell's IndyCar '94. 2.10 Carry On Teacher. (1959) 3.50 MacGyver. 5.00 Channel News. 5.05 Puffin's Plaffice. 5.10 Cartoon Time.

GRAMPIANS 12.30 Channe Co. 1.05 Grampian Hendlines 1.40 Telefics. 2.15 Cultrn Claims. 2.40 Monster Trucks: Recing to the Finish. 3.50 Niget Mensell's IndyCar '94. 4.00 Superstars of Wresting. 5.00 Grampian Hexidities 5.05 Orampian News Review. 8.45 Grampian Westher

12.30 Movies, Games and Videos. 1.05 Granada News 1.40 Nigol Manaelfa IndyCar '94. 2.10 High School, USA, (TVM 1963) 4.00 Superstans of Wire-tring. 4.55 Granada News 5.00 Cartoon Time. 12.30 Movies, Games and Videos. 1.00 HTV Nows. 1.40 Nggl Marrself's IndyCar '94, 2.10 No Depoak. No Return, (1978) 4.15 The Mountain Bike Show. 5.00 HTV News. 5.05 Cartoon Time. 2.45 HTV

Weather.
alteredAble
12.30 The Littlest Hobo. 1.05 Meridian News. 1.40
Nigel Mansell'e IndyCar '94. 2.10 Carry On
Teacher. (1969) 3.50 MacGyver. 5.00 Meridian

12.30 An Innis Aigh (The Happy Isle), 1.05 Scottand Today, 1.40 Telefios, 2.10 Swinnaut, (TVM 1989) 2.55 The A-Tesm, 5.00 Scotland Today 5.10 Cas-leon Time, 8.45 Scotlan Westher.

TYPHET TREES: 12:30 Burst. 1:00 Type Tees News. 1:40 Zerro. 2:05 High School, USA. (TVM 1983) 2:50 Knight Rider. 5:00 Type Tees Saturday

5.00 Tyne Tees Saturday
LBLSTER:
12.30 SUS: 1.05 LITV Live News 2.10 The Mountain
Bits Show. 2.40 The Munsters Today, 3.05 Knight
Ruler: 4.30 WCW Worldwide Wresting, 6.00 LITV
Live News 8.45 UTV Live News
WESTCOURTEST:
12.30 Movies, Garnes and Videoz. 1.00 Westcountry News. 1.40 Nigel Mansell's IndyCar '94, 2.40
The A-Team. 5.35 Cartoon Time. 3.50 Beywatch.
5.00 Westcourity News. 8.45 Local Westher.

12.30 Movies, Garner and Videos. 1.05 Calendar Nova. 1.40 Zorro. 2.05 High School, USA. (TVM 1953) 3.50 Knight Rider. 5.00 Calendar Nova. 8.4C Wales as Channel 4 excepts-7.00 Early Morning. 18.00 Frair Sachvm. 12.30 Trans World Sport. 1.30 Folkes Bergers. (1959) 6.30 Shoot the Video. 7.00 Novyddion. 7.10 German Heb Pfiniar. Jeus Sans Frontieres, 6.30 Your De France. 2.00 Hot Stutt.

REGIONS

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Assentace
2.25 The New Scooky Doo Movies, 10.05 Sylvester, 12.30 Countrywide, 12.55 Angle News, 2.00 Cartoon Time, 2.15 Wartest Dead or Alive, 2.45 Festher Dowling Investigates, 3.40 The Keren Carpenter Story, (TVM 1983, 6.25 Angle News on Surviva 11,10 Angle Westher, 11,15 Street Legel.

2.25 The New Scooby Dop Movers, 10.05 Sylves-ter, 12.30 Central Newsweek, 12.55 Central Nove 2.00 Tates 15, 2.15 Gentering Time, 2.45 Diro-seum, 3.10 Old Yeller, (1957) 4.45 Murcler, She Wrote, 5.40 Central News, 11.10 Local Westher, 11.15 Prisoner: Cell Block H.

SISSEPLANE

9.25 The New Scooby Doo Movies, 10,05 Sylvester, 11,00 Sunday Service, 11,45 Elicon, 12,30 Gardener's Diary, 72,35 Orampian Headlines, 2,00 Destree, 1954, 4,15 Movies, Games and Videos, 4,45 The A-Teen, 5,40 Cantiplan Headlines, 11,10

Grampton Weather, 11.15 Prisoner; Cell Block H.

GRANADA:
GRANADA:
GRANADA:
B.25 The New Scooby Doo Movies, 10.05 Sylvesier, 12.25 Chaite Chaite, 12.55 Granada News 2.00
Parent Trap N: Hevisian Honeymoon, 2.55 All
Hands on Duck, (1861) 4.46 Dr Ouinn: Medicine
Woman, 5.40 Granada News 8.00 Coronation
Street, 11.15 Prisoner; Cell Block H.

9.25 The New Scoolly Don Movies, 10.06 Sylvester, 12.25 The Littlest Hobo, 12.55 HTV News, 3.0 Soldier of Furthern Marrie C.

uer. 12.25 The Littleat Hobo. 12.55 HTV News. 3.00 Soldier of Fortune. (1972) 4.40 On Your Street. 5.10 Great Westermens. 5.40 HTV News. 6.00 Dr Outnn: Medical Woman. 11.10 HTV Weather. 11.15 Prisoner. Cell Block H.

BEST THE New Scroby Doe Movies, 16.00 Sylves-ter, 12.30 COPS, 12.59 Mendlen News, 2.00 Life Goes On, 2.55 The A-Teurit, 4.45 Highway to Housen, 6.40 Mendlen News, 11.15 The Eyes of Leuris Mars, (1976)

Laure wors, (1975)
SCOTTISH:
9.25 The New Scooby Doo Movies, 10.05 Sylvester, 11.00 Sunday Service, 11.45 Elicon, 12.30 Slooch, 12.55 Scotland Today, 2.00 Faster Owing Investigates, 2.55 Seyonara, (1957) 5.40 Scotland Today 11.10 Scotlish Weather, 11.15 The Diamond Merceneties, (1975)

TYNES TIBES:

8.25 The New Scoody Doo Movies. 10.05 Sylvester. 12.25 Newsweck. 12.55 Tyne Tees News. 2.55 The Magnificant Seven. (1960) 0.15 Tyne Tees Weeterd. 11.15 The Everest Merzthon.

9.25 The New Scooby Doo Movies, 10.05 Sylve tor, 12.30 Westcountry Update, 12.53 Westcountry News, 2.15 Dogs with Dumber, 2.45 Brief Encounters, 3.15 Old Yother, (1957) 4.50 Murder, Sh Wrote, 5.40 Westcountry News, 11.15 Prisones Cell Block H, YOSBECSAME.

VOCHSTRING: B.25 The New Scooby Doo Movies. 10.05 Sylves tor. 12.25 The Littlest Hobo. 12.50 Calendar News 2.55 The Magnificent Seven. (1990) 5-15 Calendar News and Weather 11.15 The Everest Marathon.

CHESS

Joop van Oosterom, a retired Rotterdam computer software millionaire, is the philanthropist of the chess world with his annual £50,000 match between teams of top women and veteran grandmasters.

The women woo 37-35 at Monaco but the oldest player had the best individual score. Vassily Smyslov, 73, who has recently had operatioos on both eyes, beat the Polgar sisters and totalled 8/12 egainst opponents who were not yet born when he woo and lost the world title in 1957-58.

lo his autobiography. In Search of Hormony, Smyslov alludes to his chess style and to the singing career he once considered. He prefers quiet, strategic games based on the blend and activity of wellplaced pieces, thus reducing the role of detailed tactics which suit younger opponents. This week's game shows an original Smyslov theme. His c4 and e4 pawns control o blocked centre, while his d2 pawn remains unmoved. From this

solid base, white pawns and pieces storm the black king. Playing through the game, I often wanted to make the routine advance d2-d4, but Smyslov is right. Wheo Black finally captures this pown, her game is resignable.

### ii ੴ А ß

Chess No 1030 White mates in two moves against any defence (by L. Finzer. 1976). A sneaky problem for the unwary; watch for the composer's trick. Solution Page XX

Leonard Barden

### BRIDGE

This interesting hand occurred at rubber bridge. Here is Looking for Clues:

A 863 4 K 8 5 4 2 ♣ Q 5 4 ♥ J 6 3 ¥ 10 9 8 5 2 ♦ 10 8 5 2 ♣ Q 10 3 ♦ AK743 ♣ J9 ♠ K J 10 7 2 ♥KQ4 4 J 8

4 A 7 6 With both sides vulnerable, Sooth dealt and opened the bidding with one spade, to which North replied with two clobs. (In my opinion, this reply is best. Three spades is an underbid and four spades gives a wrong picture of North's hand.) South re-bid two spades and North's bid of four spades ended the auction.

BORROY THE NEW SCOODY DOD Movies, 10,05 Sylvester, 12,30 Gerdener's Diary, 12,55 Border News, 2,00 Percent Trap NY, Hawasiaan Honeymoon, 2,55 At Harsto on Dook, (1981) 4,46 Contradion Street, 5,40 Border News, 11,15 Prisoner; Cell Block H. West had no attractive lead and finally chose the two of diamoods. East cashed his king and ace and switched to the

two of hearts, which ran to dummy's ace. Now, in an average game, we know what the declarer does. With oice trumps between the two hands, he cashes oce and king to drop the queeo. West, however, bolds the guarded queen and declarer must go dowo, as there is also a club loser.

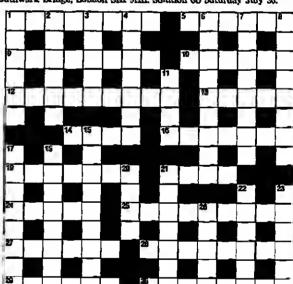
But this declarer, a first-class player, turned detective before he tested the trumps. He cashed the king and queen of hearts, West dropping the knave on the third round. He crossed to the club king. returned the two to his ace, and cut adrift with the seven. West won with the queen. South started to count, West

had produced three bearts, three clubs and, in view of his lead, started life with four diamonds. Therefore be had three spades. Ruffing the diamond ten, South casbed his spade king, on which East dropped the nine and then ran his knave, which held, Contract delivered.

E.P.C. Cotter

### CROSSWORD No. 8,507 Set by DINMUTZ

A prize of a classic Polikan Souverin 800 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of 535 Pelikan vouchers. Solutions by Wednesday July 27, marked Crossword 8,507 on the envelope, to the Financial Times, Number One Southwark Bridge, London SEI 9HL. Solution oo Saturday July 30.



(5) 4 Sun

work (6)

ACROSS

1 Grand coelacanth, for example, found in a bowl? (8)

5 Mark, crazy imagist who loses head (6)

9 Nemo's mollusc? (8)

1 Run out from more impressive glance (6)

2 Tender article in ploughman's course (6)

3 Feeble mock attack reported head (6)
9 Nemo's mollusc? (8)
10 Islamic ruler's hip replacement at California (6)

Edgy former partner could be summoned to appear in court

13 One who rides a fall? (5) 14 Man, for example, in tennis

let (4)

16 Wild river of Spain, all French finally (7)

19 Admiral, perhaps, taking day off to put one in high post? (7)

21 Cheat leaves console alone (4)

24 Hated stormy finish? (5)

25 Pop feigned suffering, we hear (9) 27 Fun in old theatre (6)

Oumber 10 (6)

30 Border methods of inserting a is old-fashioned (5)

is old-fashioned (5) Solution 8.506

6 Gnome, he leaves etrange Hampshire circle (8) 11 Bring up or buck up (4) 15 Pasta for western use? (9) 17 Amusing sort takes a gin cocktail in a knitted jacket (8) 18 Haydn's brainchild ? (8)

nday pitch makes one come

a cropper (7) Caravanner's device to find

fungus (9) American football field net-

20 Speed to beat (4) 21 Top tennis player, full of won-28 Own, through arranged der, in tangle (7)
loans? (8)

29 Messenger now from Rome at 23 Lands autheotic manuscript

Solution 8,495

INCHES AVERSION
N R E I A G A
STAPLE MOORINGS
C G S R L E O S
RAKE RADID ORCA
I P S D N A E U
BRONCOSUOTER
E T O I T O E A
GUTTERSNIPES
S T W I S H S
L EAD HAURT ZERO
A F S R O I S R
STALWART ADDICT
T R A E E A E
SHINBONE CANNES

WINNERS 8,495: D.B. Martin, Worle, Avon; A.L. Charles, Crabby, Alderney, Channel Islands; R.A. Little, Newlyn, Cornwall; Peter J. Rowland, Brentford, Middlesex; Miss Rhizabeth D. Scott, Edinburgh; M.A. Scott, Blythewood, South Carolina, USA.





## RADIO

BBC RADIO 2 9.00 Suinta Borot. 8.05 Brian Matthew. 10.00 Judi Spiers. Matthew. 10.00 Judi Spiers. 12.00 Hayes on Saturday. 1,30 You Can't Have One Without the Other. 2,00 Roy Hudd's Writings Music Hall, 3,00 Romile Hitton. 4,00 Joon Beaz. 6,00 Nick Barraclough. 8,00 Bob Holness Requests the Pleasure. T.80 Chrema 2. T.30 On Stage: Joan Beez, 6.30 The Soy With e Note. 9.30 Dayld Jacobs. 10.00 The Arts Programme. 12.05 Ronnie Hilton. 1.00 Charles Nove. 4.00 Sujata

BBC RADIO 3 Habers 120 Script of the Release, 12.00 South of the Age. 1.00 into the Garden. 1.15 Mireta Frent 3.15 Robert Cohen and Peter Donoho 4.35 Tohakovsky, 5.00 Juzz Record Requests, 5.45 Key Fetung e panel of professional musicians, 6.30 All m a Garden Green, 7.30 BBC Proms 1994, 10.30 Saudo 3: Split Roots, 11,20 impressions 12.45 Cher

6.00 News and Sports. 6.25 The Mark Steel Solution. 8.50 Ad Lib in Australia. 7.20 Kateldoscope Feeture. BBC RADIO 4 6,00 Nawa.

6.50 Prayer for the Day. YOUR 9.00 News 9.06 Sport on 4. News and 9.30 Breaktway, Holiday and 19.00 Whatever Happened To? Little Lord Fauntieroy. 10.30 The Masterson 11.00 The Week in 11.30 Europhile, Health

12.00 Money Box. 12.25 A Look Back at the Future, Award-winning Co 1.00 News. 1.10 Any Questions? 2.00 Any Answers? 071-580 4444. Phone-in response programme. 2.30 Playnouse: Contraber 4.00 History on the Hoof. 4.30 Science Now. \$.00 File on 4. 5.40 Stx of Clubs. For Welch ruchy player Ray Gr talies about the important of Lienstii RFC in his life.

9.20 Music in Mind. reflection. 10.00 News. 19.15 Word of Mouth Interesting forms of address. 10.45 They Don't Still Make That, Do They? Clogs. 11.00 The Tingle Factor. 11.30 Brave New World. 12.00 News. 12.33 Shipping Forecast. 12.43 (FM) Close. 12.43 (LW) As World Service.

BBC RADIO 5 LIVE 6.05 Dirty Tackle. 6.30 The Breaklast Programme. 9.00 Weekand with Kenthaw and Whittaker. 11.05 Special Assignment. 11,35 The Ad Break 12.00 Midday Edition. 12.15 Sport on Five at the 7.35 Seturday Edition. 9.25 Out This Wack. 19.05 The Treetment 11.00 Night Extra. 12.05 After Hours. 2.00 Up All Night.

ol Faith. 1.15 Multitrack Alternetivs. 1.45 Sports Roundap. 2:00 Newshouz. 3:00 News Summary: Sportswertd. 4:00 World News. 4:15 SBC English. 4:36 Heate Aktuel. 5:16 Sportswertd. 6:00 SBC English. 6:30 Heuts Aktuel. 7:00 News and features in German. 3:00 Proma 94. 9:00 World News. 9:00 Words of Feith. 8:15 Development 84. Faith 8.15 Development 84. 9.30 Meridian, 19.00 Newshour, 11.00 World News, 11.05 Words of Faith. 11.15 Book Cholcs. 11.15 Jazz for the Asidng. 11.45 Sports Roundup. 12.00 Newsdeek. 12.50 Bast on Record, 1.00 World and British Naws, 1.15 Good Books, 1.30 The John Dunn WORLD SERVICE BBC for Europe can be received in western Europe on Medium Ware 843 letZ (485m) at these times BST:

6.00 Morgenmagazin. 6.30

8.00 Morgenmagazin. 6.30

8.00 Morgenmagazin. 6.30

9.00 BBC English. 4.45 News and Press Review in German.

Today. 7.30 Mendian. 6.00
World News. 8.15 Waveguids.
8.25 Book Choice. 9.30 People
and Politics. 2.00 World News.
9.09 Words of Fath. 9.15 A
Joly Good Show. 10.00 World
News and Bustiness Report.
10.15 Worldbrief. 10.30
Simple. 5.00 Charl SBC RADIO 2
7.00 Don Macteun, 9.05
Michael Aspel, 10.30 Hayes on
Sunday, 12.09 Desmond
Carrington, 2.00 Bent of the
Pier, 4.30 Sing Something
Simple, 5.00 Charte Chester,
6.15 Three Tenors Concert
1994, 8.15 Norico Ogess, 8.30
Sunday Het Hour, 9.00 Alan
Kath, 19.00 The Proms: 100
Net Out? 19.06 Simm Medician. Not Out? 12.05 Sta 3.00 Alex Leater. BBC RADIO 3 9.30 Open University: Animal Physiology, 6.35 Weather, 7.00 Secred and Profess. 9.00 Brien Kay's Sunday Moming. 12.30 Rull Score, 1.00 Musical Tales.

Puis Sorra, 1.00 Musical Tales; Peer Gyral, 1.15 North German Padio Symphony Crohestra, 2.35 Celebrity Recital, 4.25 Sear Fadio Symphony Orchestra, Merdelssohn, Weber, Berängs, 5.45 Materig Waves, Derington Music Summar School and Arts Festival, 4.30 Chopin, 7.05 Deep Nigar, The 100th second Summer School and Arts
Festival. 4.30 Chopin. 7,05
Prom News. The 100th season
of Henry Wood Prema. 7,30
BSC Proms 1994. Berlioz,
Tchalkovsky, Ives. Copland.
8,46 Sunday Play: The Betcher
of Baghlad. By John Spuring,
With Britan Glover. 11.15 Chop:
Works. Berlioz and Messleen.
12.30 Closes.

BBC RADIO 4

G FIG News.

7.00 News. 7.10 Sunday Papers. 7.15 On Your Farm 7.40 Sunday, Religious news and views. 8.50 The Week's Good Cause. The Open Spaces Society. 9.10 Sunday Propers. 9.30 Morning Service. 10.16 The Archers. Omnibus. 11.15 Mediumwaya 11.45 Walters Beside the

8.10 Prelude.

6.30 Morning Has Broken

(1962)L

2.05

12.15 in the Psychiatrist's 1.00 The World This Weekend. 2.00 Gerdeners' Question Time. 2.30 Classic Sets: The House 3.30 Pick of the Week. 4.15 Power and Disorder. 6.00 The Grantham Connection. 5.30 Postry Please! 6.00 Six O'Clock News. 6.15 Letter from Scotland. 6.30 The Secret Gerden. By Frances Hodgeon Burnett.

7.00 Barging across Europe, 7.30 The Airport. 8.00 (FM) History on the Hoof. 8.00 (LW) Open University. 8.30 (FM) Reading Aloud. 9.00 (FM) The Natural History Programme. 9.96 (PM) Big Bang.

12.30 The John Dunn Show. 1.00 News Summary, Play of the Week: A Night Out. 2.00 Newshour. 2.00 News BEÇ RADIO 5 LIVE

2.00 Alesteir Stewart's Sunday. 12.00 Midday Edition. 12.15 The Big Byte. 1.04 Sunday Sport. 7.00 News Extra. 7.95 Black to the Future. 6.00 World Cup '84. 10.35 The Ad Break. 11.00 Night Extra. 12.00 Nighteal. 2.00 Up All Night

2.00 Up All Night.

Of Fath. 8.15 A Question of Science. 9.30 Brain of Britain. 19.00 Newshour. 11.00 Word. 19.00 Newshour. 11.00 Word. News and Business Review. 11.15 Sportsworld. 12.00 News and Business Review. 11.15 Sportsworld. 12.00 News and Britain News. 1.15 Pop the Question. 1.30 In Praise of Germen. 6.30 Composer of the Month. 7.00 World and Britain News. 1.15 Pop the Question. 1.30 In Praise of God. 2.00 News Summary; The Sea, The Sea: poems, prose and music. 2.45 Music As it Was. 7.15 Letter from America. 7.30 Jazz For The Askind. 8.00 World News 8.15 Composer of the Month. 4.00 469an) at these times GST:
6.00 News and features in
Germen, 6.30 Composer of the
Month. 7.00 World and British
News. 7,15 Letter from
America. 7.30 Jazz For The
Asidng. 8.00 World News, 8.15
Music As it Was. 8.30 From
Our Own Correspondent. 6.00

Cuestion. 1.30 in Praise of
God. 2.00 News Summary; The
Sea, The Sea: poems, prose
and music, 245 Music As it
Was. 3.00 Newsdesk, 3.30
Composer of the Month, 4.00
Newsdesk, 4.30 BBC English.
4.45 Fruhmegazin,

SUNDAY

10.15 The Agony and the Legacy. The conflict in Northern Ireland. 10.45 Home Truths. 11.15 in Committee. 11.45 Seeds of Falth. 12.00 News. 12.90 Shipping Forecast. 12.43 (LW) As BBC World

6.00 Hot Pursules. 6.30 The Breakfast Programme.

Write On. 9.00 World News. 9.09 Words of Faith, 9.15 The Greenfield Collection. 10.00 World News and Business Review. 10.15 Short Story. 10.30 Folk Routes. 10.45 Sports Roundap, 11.00 News Summary: Science in Action. 11.30 BBC English, 11.45 News and Press Review in German. 12.00 Newsdesk. 12.30 The John Dung Show.

Newshour. 2.20 News Summary; The First Foot on the Moon. 3.30 Anything Gose. 4.00 World News, 4.15 BBC English. 4.30 News and feetures in German. 5.00 World and British News. 5.15 BBC English. 6.00 World News and Business Review. 6.15 Printer's Devil. 6.30 News and feetures in German, 8.00 Best on Record, 8.30 Europe Yoday, 9.00 World News, 8.09 Words of Path, 8.15 A Question of

FRANCO SLIPUP
L U U A B U
HOLOUPS RIVIERA
R I B E R M C
BAMBOOZLEO ACHE
L F B C A
CHYPT ESSAYUST
O E W O E
APPROACH LOARO
I A E D S
LOAF PARTICULAR
U T U E E N F
ESTELLE TRADEIN
L R G D R
VESMEN UNTRUE







Private View/Christian Tyler

# The gentle touch in a tough business

are supposed to go to Covent Garden for the opera or, at a pinch, the ballet. Valerie Strachan, the most senior woman in the British civil service, likes to go Scottish dancing.

Times are changing at the sum-mit of the Establishment, and will change again as a result of a white paper published this week. Strachan is a symptom of that change. The chairman of the board of Customs and Excise is a woman, bot she is a woman who does not waste time pretending to be a man.

Appearances, we all know, are deceptive. So eocountering an eager, chatty, smiling and feminine Permanent Secretary, Grade One, I was immediately on my guard.

Valerie Strachan is tall with a strong handsome face, wide mouth and innocent brown eyes. There is a look about her of those rangy female tennis players who used to bound about Wimbledon in the old days. Or one could imagine her as a painter and artist's model from the free-thinking, free-loving Blooms-

bury Group. Whatever the comparison, she appears altogether too jolly, too nice, to be running a government department charged with hunting drug-dealers, pornographers and smugglers, let alone enforcing the collection of VAT. There was something girlishly naive about the way, at the end of the interview, she confessed to a love of Highland dancing. Or was the naivety just a little bit calculated?

I asked her first if she had thought of feminising her title in order to reflect current fashion.

She had thought about it, she said, and was committed to equal opportunities but had decided against. "It's a traditional title and to have changed it would have been making a much louder statement than I wanted to make." Her staff have been told to call her "Valerie" or "Mrs Stracban", according to how well they know her.

By coincideoce - if it is coincidence - the three top women in Whitehall all run law-enforcement ageocies. The other two are Barbara Mills, Director of Public Prosecutions, and Stella Rimington, head of MI5, the domestic intelligence service. Did they talk to each other, as

"We do have chats about things," she said. "But it's sort of on the hoof, as it were...me saying to Stella as we go into permaneot sec-retaries (the Wednesday morning meeting at the Cabinet Office): 'I know where you've got that jacket from; I must remember not to get the same one. That sort of thing. Or talking a bit to Barbara about some equal opportunities issues. Do the male permanent secre-

taries call you "The Girls"? "No." She laughed scornfully. "No, nor do we call them "The Boys'. I don't think they see us a little tightly-knit group. Nor do we see ourselves as being a threatened minority. All of us have been around for a long time and know each other really quite well. So it's

oot an issue between us."

Does it not feel like a men's club? Mmm. Not particularly, oo. There is a clubby atmosphere but it is the club of 20-however-many-it-is people, each of whom is at the top of an organisation, all of the organisations having something in com-



or whatever I imagine other clubs might be like." Clubmanship, public school and Oxbridge are no longer essential

qualifications for the mandarinate. Strachan herself comes from Hull, and to Manchester University, is has two children.

She joined Customs and Excise straight from university (the Department of Education was her first choice) having little idea of what it did. ("I thought they were the people that chalked your bags when you came into the country.") She has spent time at the Home Office and Treasury. Some say that if any woman can make it to the very top as Cabinet Secretary and head of the home civil service, Valerie Strachan can.

Customs and Excise is not a typical government department: it has its own matey atmosphere and has escaped a lot of the pain of civil service reform. But Strachan is, with qualifications, a promoter of the new business culture. When I suggested that her title, chairman of the board, might be getting uncomfortably close to the truth, she claimed that the white paper reinforced the traditional virtues of the British civil service.

Is she a traditionalist or a young

mon. It is oot like the Reform Club

went to the local girls' high school married to another civil servant and

> accountable Was there nowhere where effi-

> > expense of public service? "I think you have trade-offs, but

business and tax morality. So you are not going to be put on either side of this debate?

cake and eat it." Vatwoman's main worry at pres-

"Am I allowed to be both? In my time I have been as young Turkish as anybody, including pushing the financial management initiative and being a supporter of the basic concepts of Next Steps. But I don't see there is a necessary conflict between that and between maintaining public service values."

It would be unsuitable to privatise VAT inspectors, for example.

Traffic wardens had been, I said.
Why not VAT inspectors?

"I think VAT inspectors are having to exercise discretion and judgment all the time, every day of their lives. I think it is quite important that they should be publicly

ciency was being won at the

there are all sorts of trade-offs. In real life there are trade-offs between efficiency and collecting the last penny of revenue, between obligations to get off the back of small

"I would like, please, to have my

eot is the Vatman's public image. Do you mean, I said, that the

department is hated by husiness? That's not what I mean, no. What I mean is ... You haveo't mentioned the Citizens' Charter."
I don't want to mention it, I said. "No, I daresay you don't." She sounded sympathetic. "But we have

got a lot of charter obligations. The tax man is oever popular, the taxwoman is never popular and I don't expect them ever to be. But I have felt that we could usefully soften the image we present while not losing our effectiveness. We are law enforcers, but we can be friendly law enforcers.

do is not so much remove causes for complaint but he positively more

This week's white paper would put senior civil servants on personal contracts, with salaries set according to performance as judged by a company-style remuneration committee. They would no longer get a fixed rate according to seniority, and their jobs - some of them would be open to outsiders

The head of customs said the pro-

Valerie Strachan, chairman of the board of Customs and Excise, says she has 'no difficulty' with the changes proposed for

Are you prepared to say the department has been heavy-handed She paused and sighed. "No, that

wouldn't be quite right." Do you want to supply a better

word? "Let me think, Um. We have sometimes had a reputation for being heavy-handed. The reputation has been based on remarkably few instances. When we go out and actually ask people what they think of us and what they think of the service, people are on the whole pretty satisfied. What I am trying to

posed reforms only made explicit what was already implicit in the mandarin's terms of employment. She had "no difficulty" with the changes, she said, but was very anxious that her and her staff's performance should not be judged in crude terms - say, by the amount of revenue the department brought in. Hoping to discover the steel

You smile a lot. Or is it just today?
"No, I think I smile a lot. This may be. I have to say, a terrible character weakness." She smiled. So people think "She's a nice girl.

behind those candid eyes, I said:

We can swing this one past her."? "No, I don't think they think that. They have probably learned that if I think something ought to be done, then I will be quite persistent in

making sure that it does get done. "I like working with people, and working in a co-operative way. But at the end of the day, once I've heard everybody's views and formed a view about how we ought to go forward then I will be quite

Can you he a brute when

"I don't set out to be a brute. I set out to achieve the desired result, preferably while making people

You mean they don't feel it while

"I really do try not to kick peoshe laughed, "because I never think hruises are the best way of achieving results. I mean, there will be times when I run out of patience and people are aware of the fact." Do you mind confrontation? "No, I confront if I need to confront. But I prefer to operate without, you know, pinning somebody in a chair and saying You have done wrong.

"I'm quite patient - most of the time." She laughed again and reached for a homely example. "Don't try me in the hairdresser's. I'm not patient there. One of the chief virtues of the man who

dresses my hair at the moment is

that he does it on time. I hate being kept waiting."

I struggled to regain a footing.

The art of dissembling, I said, mus, be in the armoury of any top civil

"I don't think that's the way operate. I suppose I would lie if had to for my country. But on the whole I try and negotiate straight. (She led the negotiations on th European Union single marke changes in VAT and excise dat collection, and Is chairman of th world customs co-operation courcil.) "I do try not to dissemble. It not sure I could keep it up for lon' enough." She paused. "I don't sur pose I always show all my negotia ting cards."

probably play poker till late a night wearing a green eyeshade. "No, no." She laughed. "I hab card games. It's a lovely picture

though, isn't it?" When, finally. I asked her if sh had eyes on the pinnacle of the civi service, the Cabinet Office, she sak she had not eveo begun to think about it. There were "hordes" of people - well, several at least - who would be obvious candidates.

But I got the strong feeling that Valerie Strachan would not be suf-fused with maidenly blushes if the joh were offered to her. Meanwhile it was time to pack up and get off it

### Dispatches/Cape Town

# Selective amnesia heals the wounds

**Pieter-Dirk Uys** says that former terrorists and old fascists are now comrades-in-arms

The battle for freedom? The opart-heid years? Docs onyone remember?"

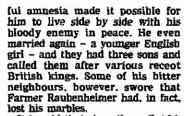
bere is an old Afrikaner ailment that seems to have reached epidemic proportions here in this most southern African land of ris-ing hope. It is called Reubenhei-

It was first ooticed after the Boer war, when the British empire was nearly forced to its knees by the Boer guerrillas in the mist. This type of warfare was then exported to various skirmishes, from Afghanistan to Bosnia, with great success, while the British introduced the clvilised world to their new concept: the coocentration camp.

After the Boer war, and while there was still great hatred and grumbling against the British, the Afrikaner found himself, by 1910, in a newly-formed union, blue-printed by the parliament in London and symbolised by the new South African flag: a compromise between those of the Cape Colony (Union flag) and the two ex-Boer republics (not the Union flag). The effect of this was to trap the Afrikaner in the centre of an orange, white and blue banner until the stroke of mid-

night before April 27 1994. Raubenheimer's disease was then spotted for the first time in a small dusty dorp oo the wide plains of the Karoo, where Farmer Raubenheimer, having just lost his farm to fire and his family to famine, suddenly started speaking English and singing "God Save the Queen". He seemed to have forgotten completely the reason for the pain of his

- some people said - merc

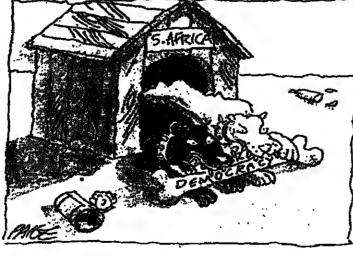


It is said that since then all Afrikaners have been born with a trace of Raubenheimer's disease. lo decent company it was merely whispered that these strange bearded and braided volk knew how to adapt and not to die. "Damn pragmatic" and "hloody unbalanced" were more often used to explain the strange ways by which Afrikaners turned the other cheek and then whipped round, guns ablazing.

We Afrikaners have always been great artists in absorbing - no, call it stealing. We would take something from another people, maybe a Dutch language, and unrecognisably beat it up to become Afrikaans. Or we would take a democratic Westminster system of government and bleed it dry of its truth.

We even legitimised an inbred sense of racial madness, gave it an official Afrikaans name (that the Eoglish spelt opart-hote), wove it into our statute books "democratically" and ended up in the smelly corner of the world's classroom with a skunk's tail pinned to our

But no more. Chalk has become cheese. The bad old days are gone. Mandela rules OK! Now, shockingly, it has become the time to be not anti but pro. One is proud of being a South African. Political satirists are jumping off roofs. Nostalgia-wracked anti-apartheid activists



are ignoring the complexity of Bosnia and those political prisoners in Northern Ireland and are being treated for withdrawal symptoms. The black-and-white issues of Afrikanerdom's experiment in-separate

development have vanished. Like that flesh-eating streptococcus, Rauhenheimer's disease has struck again. Here in this brand new South Africa it is impossible to find anyone more or less white and relatively same who will admit to having supported apartheid.

It is the same elsewhere, of course. In East Germany, after the Berlin Wall came down, there were suddenly no communists to be found, just as there had been no Nazis in Germany in 1945 (nor even, particularly, in Austria, Holland or France). No one recalls voting Margaret Thatcher into power all those years ago when British democracy

still had a ring of authenticity to it. Some Afrikaners who swore bloody revenge on a democraticallyelected, non-racial, non-sexist government are now swapping fond stories of election-day braces (barbecues) with their new noo-white neighbours. Beers in hand, former terrorists and old fascists are comrades in arms: a cloudburst over a squatter camp is no longer the result of bad nationalist politics only of bad weather.

Amnesties and amnesias seem to go together. There are now more free men on the street (and in parliameot) with blood on their hands than in the prisons. Politicallymotivated crimes, ranging from mass murder to messy murder. have a cut-off date - if you blasted your eoemies away before the cutoff, you are fine.

During our past - until April 27

was too good to share with just anyone. As a result, the world hated us Now we are more of a democracy

Good oews is no news and at the moment nearly everything here is good news, give or take a comple of killings that last year would have been called a political massacre now it is just the criminal element.

Everyone in government is united by salary and perks, from the old regime to the new extreme, from Chief Buthelezi to Winnie Mandela, the Black Evita, appointed not as minister of child welfare, which she had rehearsed for, but as deputy minister of culture. ("Culture?" she said. "That's a funny post." Please do oot send her a biography of Madame Mao.)

The world is still fascinated with South Africa, though no longer confronted by the nightly Munchscream of black South Africa on the news; no longer turfing the Outspan orange into the toilet; no longer wearing the "Free Mandela" T-shirt

and feeling good for being so good. What oow fascinates the world is this relatively well-educated, relatively civilised, relatively relatively pleasant group of white Christians (and Jews) who took the most beautiful country in the world and utterly and completely screwed it up - and nearly got away with it. And then turned round with a smile at the edge of the cliff and handed their only parachute to the former

I thought I started with a question. Perhaps I had the answer. I really cannot remember. Call it Raubenheimer's disease.

■ Pieter-Dirk Uys is o South African

